

**NEW JERSEY HOUSING AND
MORTGAGE FINANCING AGENCY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED INFORMATION FOR
YEAR ENDED DECEMBER 31, 2023)**



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**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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(WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2023)**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
New Jersey Housing and Mortgage Finance Agency
Trenton, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the fiduciary fund of the New Jersey Housing and Mortgage Finance Agency (the Agency), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Agency'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 respective financial position of the business-type activities, each major fund, and the fiduciary fund of the Agency, as of December 31, 2024, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Agency 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Agency'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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, the Schedule of Agency's Proportionate Share of Net Pension Liability, Schedule of Agency's Pension Contributions, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and the Schedule of Agency's OPEB contributions 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 Agency's basic financial statements. The Schedules of Net Position and Revenues, Expenses, and Changes in Fund Net Position for the Single Family and Multi-Family Housing Programs (the Schedules) for the year ended December 31, 2024, 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 for the year ended December 31, 2024, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2024.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Agency's financial statements, as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated August 7, 2024, which contained unmodified opinions on the respective financial statements of the business-type activities, each major fund, and the fiduciary fund. The 2023 actual amounts in the Schedules for the year ended December 31, 2023, are presented for purposes of additional analysis and are not a required part of the 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 2023 financial statements. The information was subjected to the auditing procedures applied in the audit of the 2023 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 actual amounts in the Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2023.

Report on Summarized Comparative Information

We have previously audited the Agency's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the business-type activities, each major fund, and the fiduciary fund in our report dated August 7, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
August 7, 2025

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Introduction to the Financial Report

This financial report consists of five parts: Management's Discussion and Analysis, Financial Statements, Notes to the Financial Statements, Required Supplementary Information, and Supplementary Information. The accompanying basic financial statements include the proprietary funds of the New Jersey Housing and Mortgage Finance Agency (the Agency) and the fiduciary fund.

Basic Financial Statements

The Agency's proprietary fund engages only in business-type activities and as a result, the Agency's basic financial statements include the statement of net position, the statement of revenue, expenses, and changes in net position, the statement of cash flows, and the notes to the financial statements. These basic financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position which provides information about the Agency's investments in resources (assets), deferred outflows of resources, obligations to Agency creditors (liabilities), deferred inflows of resources and net position. Over time, increases or decreases in the Agency's net position may serve as an indicator of whether the financial position of the Agency is improving or deteriorating. Other factors, both internal and external to the Agency, should be considered when evaluating the Agency's financial position.

The statement of revenues, expenses and changes in net position which accounts for all of the current year's revenue and expenses, measures the success of the Agency's operations over the past year and can be used to determine how the Agency has funded its costs.

The statement of cash flows which provides information about the Agency's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

A fiduciary fund is used to account for resources held for the benefit of parties outside the Agency. A fiduciary fund is not reflected with the proprietary fund financial statements because the resources of the fund are not available to support the proprietary fund programs. The Agency's fiduciary fund is the New Jersey Housing and Mortgage Finance Agency OPEB 115 Trust Fund (the Trust).

The Trust is a separate legal entity created pursuant to a trust agreement initiated by the Agency. The Trust is a private-purpose trust established for the sole purpose of providing health and welfare benefits for retirees and their eligible spouses and dependents as provided by the New Jersey State Health Benefits Program (the Program). All resources of the Trust, including income on investments and other revenues, are held in trust to meet obligations to provide the health and welfare benefit payments to retirees and their eligible spouses and dependents. Resources of the Trust may also be used to pay reasonable expenses of administering the Trust and the Program. Trust receipts consist of contributions made by the Agency. The Trust administers its affairs through its trustee, records its assets in segregated accounts, and maintains financial records separate from the Agency.

Notes to the Financial Statements

The notes to the financial statements provide information that is essential to understanding the basic financial statements, such as the Agency's accounting methods and policies, details of contractual obligations, future commitments and contingencies of the Agency, and information about any other events or developing situations that could materially affect the Agency's financial position.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Required Supplementary Information

This presents the information regarding the Agency's progress in funding its obligation to provide pension benefits and postemployment benefits other than pensions to its employees.

Supplementary Information

This provides presentations of the Agency's financial information in accordance with the requirements of the various Bond Resolutions.

Management's Discussion and Analysis

This section of NJHMFA's financial statements presents the Management's Discussion and Analysis (MD&A), of the Agency's financial performance as of December 31, 2024 and 2023, and for the years then ended. It provides an assessment of how the Agency's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Agency's overall financial position.

The Agency's Business

The Agency was created to provide a strong unified advocate for housing production, financing, and improvement. The Agency is established under, but is not a part of, the Department of Community Affairs, and is constituted as a body politic and corporate and an instrumentality of the State exercising public and essential governmental functions. Included in the Agency's powers is the ability, inter alia, to provide to housing sponsors, through eligible loans or otherwise, financing, refinancing or financial assistance for fully completed, as well as partially completed projects; to provide funds to purchase loans made to borrowers throughout the State for single family residences in accordance with the requirements of the State and Federal law and the applicable general resolution; to issue negotiable bonds and to secure the payment thereof; and to make and enter into and enforce all contracts and agreements necessary, convenient or desirable to the performance of its duties and the execution of its powers.

Overview of the Financial Statements

The Agency is a self-supporting entity and follows enterprise fund reporting except for the fiduciary fund. An enterprise fund reports activity that is financed with debt that is secured solely by a pledge of the net revenue from that activity as well as activity that is not supported by taxes or similar revenues. The Agency's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting matches revenues and expenses to the time period in which they are earned or attributable, respectively, which may differ from the period in which the associated cash is received or expended.

Enterprise fund statements offer short-term and long-term financial information about the Agency's activities. While detailed sub-fund information is not presented in the Agency's financial statements, separate accounts are maintained for each bond issue and component unit, as well as the Agency's general operating fund, known as the General Fund. These sub-funds permit the Agency to control and manage money for particular purposes and to determine that the Agency is properly using specific resources.

The fiduciary fund is included as the Agency has fiduciary responsibility for it, but it does not follow enterprise fund reporting. The fiduciary fund accounts for resources held for the benefit of parties outside the Agency, and these resources are therefore not available to support the Agency.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Overall Financial Highlights — Year Ended December 31, 2024

The Agency's overall net position increased by 11.2% from 2023 to 2024. The multifamily portfolio continued to perform well and the single family portfolio added significant loans resulting from the favorable bond market. The General Fund performed well due to a significant increase in the Single Family Mortgage-Backed Security market.

In May 2024, the Agency issued \$245,500 of Single-Family Housing Revenue Bonds 2024 Series K&L. This bond issue, which was comprised entirely of new money proceeds, was the Agency's fourth single-family bond issue that was self-designated as Social Bonds. The bond consists of \$205,500 of tax-exempt bonds and \$40,000 of taxable bonds.

In December 2024, the Agency issued \$175,975 tax-exempt and taxable Multi-Family Revenue Bonds 2024 Series A-C. The bond issue is self-designated as Social Bonds.

On December 22, 2023, the Agency issued its \$160,000 Multi-Family Revenue Bonds, 2023 Series E (Non-AMT) (the "2023 Direct Purchase Bonds"), which were directly purchased from the Agency by Barclays Capital Inc. The 2023 E Bonds consist of (i) a portion of the original 2023 Direct Purchase Bonds in the aggregate principal amount of \$75,655, which were redesignated as the 2023 E-1 Bonds and remarketed as fixed interest rate bonds and (ii) a portion of the original 2023 Direct Purchase Bonds in the aggregate principal amount of \$84,345, which were redesignated as the 2023 E-2 Bonds and remarketed as fixed interest rate bonds. The Agency redesignated the 2023 E-1 and E-2 bonds in December 2024 with the bond issuance above.

In December 2024, the Agency issued \$200,000 tax-exempt Multi-Family Revenue Bonds 2024 Series D.

In 2024, the State of New Jersey's Department of Community Affairs made the following cash contributions, purposed for administering the following programs:

- \$40,000 for Down Payment Assistance Program (DPA)
- \$20,000 for Special Needs Housing Trust Fund (SNTF)
- \$800 for Foreclosure Mediation Assistance Program (FMAP)
- \$5,000 for Affordable Housing Insurance Program Fund (AHPF)

In addition, the Agency continued to participate in the mortgage-backed securities (MBS) platform as an approved Government National Mortgage Association (Ginnie Mae) issuer of Ginnie Mae I and II single family MBS. In 2024, the Agency securitized 389 loans for \$120,410 with Ginnie Mae II and 1,481 loans for \$419,389 with Freddie Mac MBS.

Under the American Rescue Plan Act (ARPA) of 2021, the Agency received a total allocation of \$325,966 of Homeowner Assistance Fund (HAF) dollars to develop the Emergency Rescue Mortgage Assistance (ERMA) Program and the Housing Counseling Program. Under ERMA, the Agency provides mortgage assistance and repayment of delinquent homeowner expenses to eligible New Jersey homeowners that have experienced a loss of income related to the COVID-19 pandemic. The payments are made directly to the mortgage servicer, or to the appropriate entity in cases where there is no mortgage escrow account. The Housing Counseling Program supplements ERMA by providing outreach to impacted homeowners, housing counseling, as well as ERMA application assistance, in order to improve program coordination.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Overall Financial Highlights — Year Ended December 31, 2024 (Continued)

Under the Coronavirus State Fiscal Recovery Fund program (CSFRF), the Agency received an allocation of \$40,000 to administer the Affordable Housing Gap Subsidy Program (AHGS). Additionally, under CSFRF, the Agency received \$305,000 to administer the Affordable Housing Production Fund (AHPF) Program. The purpose of these programs is to provide subsidy financing for projects that are 100 percent affordable.

In 2024, the Agency was awarded:

- \$80 million to administer the Urban Preservation Program (UPP). The UPP is to provide loans for eligible affordable housing projects.
- \$50 million to administer the Workforce Housing Program (WHP). The WHP is for the rehabilitation or construction of residential units within multiple dwellings located within areas with proximity to existing public transportation and job opportunities.
- \$25 million to administer the Foreclosure Intervention Fund Program to help provide relief for homeowner's mitigate risk of foreclosure.

The Agency closed seven conduit bond issues totaling \$160,409 in 2024. In addition, the program has a pipeline in excess of \$350,000.

The following ratings actions occurred in 2024:

In April 2024, Moody's Investors Service (Moody's) affirmed its Aa2 rating (with a stable outlook) on the Agency's Single Family Housing Revenue Bonds (SFHRB) Resolution.

In April 2024, Standard & Poor's Global Ratings (S&P) affirmed its AA rating (stable outlook) on the Agency's Single-Family Housing Revenue Bonds (SFHRB) Resolution.

In December 2024, Standard and Poor's Global Ratings (S&P) affirmed its AA- rating (with a stable outlook) on the MFRB Resolution.

In June 2024, Standard & Poor's Global Ratings (S&P) lowered its A+ rating to BBB+ (stable outlook) on the 1991 Series I Presidential Plaza bonds.

Financial Analysis

The following sections will discuss the Agency's financial results for 2024 compared to 2023. Additionally, an examination of major economic factors that have contributed to the Agency's operations is provided. It should be noted that for purposes of this MD&A, summaries of the financial statements and the various exhibits presented are in conformity with the Agency's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America. All dollar amounts are in thousands.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Agency's Condensed Statement of Net Position

The Statement of Net Position presents the Agency's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of December 31, 2024. The following table represents the comparison of net position as of December 31, 2024 and 2023. The change between December 31, 2024, and December 31, 2023, should be read in conjunction with the financial statements. The amounts in the table below and in the explanation of changes in certain financial categories are expressed in thousands to provide easier comparison to the Statement of Net Position as outlined in the table of contents.

Condensed Statement of Net Position

	2024	2023	\$ Change 2024 / 2023	% Change 2024 / 2023
Current and Other Assets	\$ 1,954,164	\$ 1,694,379	\$ 259,785	15.3%
Other Noncurrent Assets	3,215,066	2,966,434	248,632	8.4%
Capital Assets	3,906	3,480	426	12.2%
Total Assets	5,173,136	4,664,293	508,843	10.9%
Deferred Outflows of Resources	10,328	14,122	(3,794)	-26.9%
Current Liabilities	361,155	394,577	(33,422)	-8.5%
Long-Term Liabilities	3,187,973	2,807,203	380,770	13.6%
Total Liabilities	3,549,128	3,201,780	347,348	10.8%
Deferred Inflows of Resources	18,741	23,323	(4,582)	-19.6%
Net Position:				
Net Investment in Capital Assets	3,906	3,480	426	12.2%
Restricted	770,928	882,640	(111,712)	-12.7%
Unrestricted	840,761	567,192	273,569	48.2%
Total Net Position	<u>\$ 1,615,595</u>	<u>\$ 1,453,312</u>	<u>\$ 162,283</u>	<u>11.2%</u>

The Agency's total assets increased by 10.9% between 2023 and 2024 resulting primarily from the following factors:

- Cash, cash equivalents, and investments increased by \$226,852 as the Agency placed newly acquired funding from issuance of bonds into money markets, cash management, checking accounts, and investment agreements.
- Mortgage loans receivable, supplemental loans receivable, and accrued mortgage interest receivable increased by \$282,471, primarily due to new loans disbursed during the year being greater than prepayments and regular loan amortizations.
- Other assets decreased by \$2,552 largely due to a decrease in due from loan servicers.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Agency's Condensed Statement of Net Position (Continued)

The Agency's deferred outflows of resources decreased 26.9% mostly resulting from a decrease in derivative instruments valuations.

The Agency's total liabilities increased 10.8% between 2023 and 2024 resulting from the following factors:

- Unearned revenue decreased by \$78,319 due to significant usage of HAF (ERMA) and AHPF funding, which was slightly offset by newly acquired Urban Preservation program funding.
- Pension and OPEB liabilities decreased by \$4,737 and \$1,929, respectively, due to changes in actuarial assumptions used to determine the liabilities.
- Funds held in trust and mortgagor escrow deposits decreased \$2,015 and \$7,810, respectively, as the Agency acted and administered upon state and local programs, overall, in excess of acquired monies.
- Bonds payable increased \$452,657 as a result of the new 2024 SFHRB and MFRB bond issuances net of scheduled bond retirements.
- The Agency's paydowns and draws on the line of credit resulted in a net \$10,275 drop in the balance, with activity related to administering 2024 Series bond issuances.
- Derivative instruments (hedging derivative value + off market loan balances) had a net decrease of \$2,191, due to varied factors. Individual swaps are affected by changes in LIBOR, SOFR and/or SIFMA rates. In 2024, LIBOR, SOFR and SIFMA saw general decreases. The remaining life of a swap also impacts the value as it must accrete to \$-0- by the maturity date. In addition to these factors which affect the directional change in a swap's value, the magnitude of the change is affected by other factors including the size, remaining life, and the maturity date. Each swap is analyzed individually with any changes in fair value reported.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Agency's Condensed Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position reports revenues recognized, and expenses incurred for the years ended December 31, 2024 and 2023. The table below summarizes the Agency's revenues and expenses for the years ended December 31, 2024 and 2023. It should be read in conjunction with the financial statements. The amounts in the two tables below and in the explanation of changes in certain financial categories are expressed in thousands to provide easier comparison to the Statement of Revenues, Expenses and Changes in Net Position.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2024 and 2023

	2024	2023	\$ Change 2024 / 2023	% Change 2024 / 2023
Operating Revenues:				
Interest Income on Mortgage Loans	\$ 116,070	\$ 93,676	\$ 22,394	23.9%
Fees and Charges	60,238	51,591	8,647	16.8%
Grant Income	118,474	138,673	(20,199)	-14.6%
Recovery of Bad Debt and Mortgage Modifications	15,756	11,880	3,876	32.6%
Other	28,967	13,988	14,979	107.1%
Total Operating Revenues	339,505	309,808	29,697	9.6%
Operating Expenses	308,604	302,907	5,697	1.9%
Operating Income	30,901	6,901	24,000	347.8%
Nonoperating Revenues	131,382	126,621	4,761	3.8%
Increase in Net Position	162,283	133,522	28,761	21.5%
Net Position - Beginning of Year	1,453,312	1,319,790	133,522	10.1%
Net Position - End of Year	<u>\$ 1,615,595</u>	<u>\$ 1,453,312</u>	<u>\$ 162,283</u>	<u>11.2%</u>

The 9.6% increase in operating revenue is due to the following factors:

- Mortgage-associated revenues (interest, fees, and charges) saw a \$31,041 net increase, as the Agency saw an increase in mortgages disbursed and mortgage backed securities securitized.
- Grant income decreased by \$20,199 due largely to the decreased activity related to the Homeowner's Assistance program (ERMA) as the program winds down. This drop was offset by an increase in the Affordable Housing Insurance Program Fund (AHPF).
- Other income increased by \$14,979, driven largely by an increase on gains on sale of MBS securities.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Agency's Condensed Statements of Revenues, Expenses, and Changes in Net Position
(Continued)

Nonoperating income increased from the prior year due to interest earnings on newly acquired assets and unrealized holding gains, offset by losses on investment sales, ceasing of investment discount amortization, and a drop in acquired contributions from the State of New Jersey.

Summary of Operating Expenses
Years Ended December 31, 2024 and 2023

	2024	2023	\$ Change 2024 / 2023	% Change 2024 / 2023
Operating Expenses:				
Interest and Amortization	\$ 88,033	\$ 81,690	\$ 6,343	7.8 %
Insurance Costs	1,029	1,023	6	0.6
Servicing Fees and Other	10,129	8,078	2,051	25.4
Salaries and Related Benefits	27,435	23,648	3,787	16.0
Professional Services and Financing Costs	29,577	20,349	9,228	45.3
General and Administrative Expenses	6,319	5,967	352	5.9
Grant Expense	118,018	137,499	(19,481)	(14.2)
Program Expense	1,185	1,558	(373)	(23.9)
Pension (Revenue) Expense	433	(657)	1,090	(165.9)
Loss on Sale of Real Estate Owned	420	885	(465)	(52.5)
Provision for Loan Losses	26,026	22,867	3,159	13.8
Total Operating Expenses	<u>\$ 308,604</u>	<u>\$ 302,907</u>	<u>\$ 5,697</u>	<u>1.9%</u>

Total operating expenses increased by 1.9%. The following significant fluctuations occurred within operating expenses:

- Grant income decreased by \$19,481 due largely to the decreased activity related to the Homeowner's Assistance program (ERMA) as the program winds down. This drop was offset by an increase in the Affordable Housing Program Fund (AHPF). This is consistent with the decrease in grant income above.
- The provision for loan losses increased by \$3,159 as the agency adjusted estimates on delinquent loans balances.
- Professional services and financing costs increased \$9,228 mainly due to an increase in mortgage origination fees.
- Interest and amortization expense increased \$6,343, as a result of an increase in bonds payable.
- Salaries and related benefits increased \$3,787, moving alongside a net increase in employees and cost of living increase in pay.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Debt Administration

At December 31, 2024, the Agency had \$2,702,503 of bond principal outstanding, net of deferral on refunding, discount, and premium which represents an increase of 20.1% over the prior year. Additionally, the Agency had a \$9,500 line of credit outstanding which represents a decrease of 52.0% over the prior year. The following table summarizes the Agency's bonds payable outstanding at December 31, 2024 and 2023, and the changes in bonds payable. Dollars are expressed in thousands to provide easier comparison to the Statement of Net Position as outlined in the table of contents.

	2024	2023	% Change 2024 / 2023
Bonds Payable, Net	\$ 2,702,503	\$ 2,249,846	20.1 %
Line of Credit	\$ 9,500	\$ 19,775	(52.0)%

Additional information about the Agency's debt is presented in the notes to the financial statements.

Single Family Programs

The Agency provides a variety of residential mortgage financing programs that primarily serve low to moderate and middle-income first-time homebuyers and homebuyers purchasing in certain designated urban areas. Traditionally, the programs were funded with Mortgage Revenue Bond proceeds. In 2024, the Agency continued funding loans via the mortgage-backed securities platform (MBS) in addition to the issuance of the \$245,500 Series K&L bonds. This bond issue involves no refunding component. See footnote 7 for more information.

Multi-Family Programs

The Agency provides bond proceeds as loans to finance the construction and acquisition of multi-family housing projects designed to serve low-to-moderate income individuals and families. In December 2024, the Agency issued \$175,975 tax-exempt and taxable Multi-Family Revenue 2024 Series A-C bonds. In December 2023, NJHMFA issued \$160,000 convertible option bonds (COB), Series 2023-E. In December 2024, the Agency converted and remarketed those bonds into \$160,000 tax-exempt Multi-Family Revenue fixed interest rate bonds 2023 Series E1 and E2. In December 2024, the Agency issued \$200,000 tax exempt Multi-Family Revenue Bonds 2024 Series D.

Economic Factors

The Agency is a self-supporting entity and is not funded by the general taxing authority of the State of New Jersey. As the State's leader in affordable housing, certain market/economic factors can have an impact on the Agency's operations.

- **Trends in single family mortgage and bond rates** — Over the last seven years, the interest rate environment has allowed the Agency to stay relevant in the mortgage revenue bond (MRB) market, its traditional loan financing mechanism, which has increased the Agency's ability to lend profitably at competitive loan interest rates. The Agency has expanded its mortgage-backed security (MBS) funding program, which allows the Agency to sell FHA, VA, and USDA whole loans for securitization into Ginnie Mae mortgage-backed securities and conventional whole loans to Freddie Mac.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024
(IN THOUSANDS)

Economic Factors (Continued)

- **Trends in foreclosure processing** — New Jersey is a judicial state and as such all foreclosures must be processed through the court system. Prior to the COVID-19 pandemic, the foreclosure process took between 18-24 months to complete. During COVID in 2020 and 2021, foreclosure filings dropped due to State and Federal moratoria, and then increased after the moratoria ended in 2022 and 2023. This led to longer foreclosure processing timelines during those years, as courts dealt with the backlog of cases. For 2024, national and New Jersey foreclosure filings dropped year over year per ATTOM Data Solutions. National trends showed an increase in the average foreclosure processing timeline that peaked in mid-2023 and has since decreased in 2024.
- **Trends in home prices** — New Jersey has seen the number of home sales increase in 2024 by 12.5% versus 2023 volumes. The Agency increased overall loan production by 26% over the same time, due to increased lender participation, launch of innovative programs, and competitive pricing versus the general mortgage market.
- **Trends in the Agency's credit ratings** — The cost of capital available to the Agency changes as credit ratings change. In 2024, all ratings actions by Moody's and S&P on the Agency and its bond resolutions were either affirmations or maintained ratings, with the exception of Presidential Plaza.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Agency's business, financial position, and fiscal accountability for the funds it generates and receives. If you have questions about any information in this report, contact the Finance Division of the New Jersey Housing and Mortgage Finance Agency.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF NET POSITION
DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Primary Government					
	Bonds and Obligation Funds		General Fund	Subtotal	Interfund Eliminations	Business-Type Activities
	Single Family Mortgage Component	Multi-Family Housing Component				2024
						2023
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ 95,601	\$ 95,601	\$ -	\$ 95,601
Restricted Cash and Cash Equivalents	240,746	647,715	733,753	1,622,214	-	1,622,214
Investments	-	-	14,938	14,938	-	14,938
Restricted Investments	-	-	605	605	-	605
Accrued Interest Receivable on Investments	80	206	2,622	2,908	-	2,908
Mortgage Loans Receivable, Net	35,099	74,295	68,779	178,173	-	178,173
Supplemental Mortgages and Other Loans, Net	-	-	9,296	9,296	-	9,296
Fees and Other Charges Receivable	-	-	4,075	4,075	-	4,075
Accrued Interest Receivable on Mortgages	6,781	7,156	4,036	17,973	-	17,973
Due from Loan Servicers, Net	-	-	2,925	2,925	-	2,925
Due from Other Funds	-	-	2,142	2,142	(2,142)	-
Other Current Assets	780	358	4,318	5,456	-	5,456
Total Current Assets	283,486	729,730	943,090	1,956,306	(2,142)	1,954,164
NONCURRENT ASSETS						
Investments	-	-	278,540	278,540	-	278,540
Restricted Investments	2,844	234,562	-	237,406	-	237,406
Mortgage Loans Receivable, Net	1,384,542	714,436	172,002	2,270,980	-	2,270,980
Supplemental Mortgages and Other Loans, Net	87	-	409,776	409,863	-	409,863
Real Estate Owned	1,401	-	-	1,401	-	1,401
Capital Assets, Net	-	-	3,906	3,906	-	3,906
Other Noncurrent Assets (Mortgage Servicing Rights)	-	-	16,310	16,310	-	16,310
Derivative Instrument	-	-	566	566	-	566
Total Noncurrent Assets	1,388,874	948,998	881,100	3,218,972	-	3,218,972
Total Assets	1,672,360	1,678,728	1,824,190	5,175,278	(2,142)	5,173,136
DEFERRED OUTFLOWS OF RESOURCES						
Pension	-	-	1,190	1,190	-	1,190
OPEB	-	-	6,638	6,638	-	6,638
Accumulated Decrease in Fair Value of Hedging						
Derivatives	-	2,500	-	2,500	-	2,500
Total Deferred Outflows of Resources	-	2,500	7,828	10,328	-	10,328

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Primary Government						
	Bonds and Obligation Funds		General Fund	Subtotal	Interfund Eliminations	Business-Type Activities	
	Single Family Mortgage Component	Multi-Family Housing Component				2024	2023
LIABILITIES							
CURRENT LIABILITIES							
Bonds and Obligations, Net	\$ 47,395	\$ 47,700	\$ -	\$ 95,095	\$ -	\$ 95,095	\$ 111,500
Line of Credit	-	-	9,500	9,500	-	9,500	19,775
Accrued Interest Payable on Bonds and Obligations	13,622	5,767	-	19,389	-	19,389	18,855
Subsidy Payments Received in Advance	-	-	238	238	-	238	473
Advances from State of NJ for Bond/Housing Assistance	-	-	5,168	5,168	-	5,168	5,268
Due to Loan Servicers, Net	239	-	-	239	-	239	-
Other Current Liabilities	82	-	12,040	12,122	-	12,122	11,492
Due to Other Funds	-	2,142	-	2,142	(2,142)	-	-
Mortgagor Escrow Deposits	-	-	219,404	219,404	-	219,404	227,214
Total Current Liabilities	61,338	55,609	246,350	363,297	(2,142)	361,155	394,577
NONCURRENT LIABILITIES							
Bonds and Obligations, Net	1,372,844	1,234,564	-	2,607,408	-	2,607,408	2,138,346
Minimum Escrow Requirement	-	5,828	573	6,401	-	6,401	6,243
Funds Held in Trust for Mortgagors	-	3,091	295,682	298,773	-	298,773	300,788
Other Noncurrent Liabilities	1,495	2,622	4,150	8,267	-	8,267	5,675
OPEB Liability	-	-	4,729	4,729	-	4,729	6,658
Net Pension Liability	-	-	35,295	35,295	-	35,295	40,032
Derivative Instruments	-	2,500	-	2,500	-	2,500	6,542
Unearned Revenue	-	-	224,600	224,600	-	224,600	302,919
Total Noncurrent Liabilities	1,374,339	1,248,605	565,029	3,187,973	-	3,187,973	2,807,203
Total Liabilities	1,435,677	1,304,214	811,379	3,551,270	(2,142)	3,549,128	3,201,780
DEFERRED INFLOWS OF RESOURCES							
Pension	-	-	4,261	4,261	-	4,261	3,085
OPEB	-	-	13,914	13,914	-	13,914	17,821
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	566	566	-	566	2,417
Total Deferred Inflows of Resources	-	-	18,741	18,741	-	18,741	23,323
NET POSITION							
Net Investment in Capital Assets	-	-	3,906	3,906	-	3,906	3,480
Restricted Under Bond and Obligation Resolutions	236,683	384,174	-	620,857	-	620,857	565,144
Restricted for General Fund Programs	-	-	150,071	150,071	-	150,071	317,496
Unrestricted	-	(7,160)	847,921	840,761	-	840,761	567,192
Total Net Position	\$ 236,683	\$ 377,014	\$ 1,001,898	\$ 1,615,595	\$ -	\$ 1,615,595	\$ 1,453,312

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Primary Government				
	Bonds and Obligation Funds		General Fund	Business-Type Activities	
	Single Family Mortgage Component	Multi-Family Housing Component		2024	2023
OPERATING REVENUES					
Interest Income on Mortgage Loans	\$ 63,681	\$ 39,615	\$ 12,774	\$ 116,070	\$ 93,676
Fees and Charges	-	1,111	59,127	60,238	51,591
Grant Income	-	-	118,474	118,474	138,673
Recovery of Bad Debt	3,184	1,649	10,923	15,756	11,880
Other Income, Net	-	83	28,884	28,967	13,988
Total Operating Revenues	66,865	42,458	230,182	339,505	309,808
OPERATING EXPENSES					
Interest and Amortization of Bond Premium and Discounts	49,368	38,047	618	88,033	81,690
Insurance Costs	-	-	1,029	1,029	1,023
Servicing Fees and Other	4,931	270	4,928	10,129	8,078
Salaries and Related Benefits	-	-	27,435	27,435	23,648
Professional Services and Financing Costs	8,817	2,101	18,659	29,577	20,349
General and Administrative Expenses	-	3	6,316	6,319	5,967
Grant Expense	-	-	118,018	118,018	137,499
Program Expense	-	-	1,185	1,185	1,558
Pension (Revenue) Expense	-	-	433	433	(657)
Loss on Sale of Real Estate Owned	417	-	3	420	885
Provision for Loan Losses	1,098	3,281	21,647	26,026	22,867
Total Operating Expenses	64,631	43,702	200,271	308,604	302,907
OPERATING INCOME (LOSS)	2,234	(1,244)	29,911	30,901	6,901
NONOPERATING REVENUES (EXPENSES)					
Contributed Cash from State	-	-	65,800	65,800	67,200
Interest on Investments	11,600	27,286	27,858	66,744	46,845
Investment Premium	-	-	-	-	2,040
Unrealized and Realized Gain/(Loss) on Investments	(131)	-	(1,031)	(1,162)	10,536
Total Nonoperating Revenues (Expenses)	11,469	27,286	92,627	131,382	126,621
INCOME BEFORE TRANSFERS	13,703	26,042	122,538	162,283	133,522
TRANSFERS	9,500	6,037	(15,537)	-	-
INCREASE IN NET POSITION	23,203	32,079	107,001	162,283	133,522
Net Position - Beginning of Year	213,480	344,935	894,897	1,453,312	1,319,790
NET POSITION - END OF YEAR	<u>\$ 236,683</u>	<u>\$ 377,014</u>	<u>\$ 1,001,898</u>	<u>\$ 1,615,595</u>	<u>\$ 1,453,312</u>

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Primary Government				
	Bonds and Obligation Funds			Business-Type Activities	
	Single Family Mortgage Component	Multi-Family Housing Component	General Fund	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Interest on Mortgages and Loans	\$ 61,842	\$ 38,432	\$ 12,774	\$ 113,048	\$ 90,947
Receipts from Fees, Charges, and Other	-	1,442	88,843	90,285	72,062
Receipts from Grants	-	-	40,155	40,155	110,837
Receipts from Principal Payments on Mortgage Receivables	90,837	74,558	868,275	1,033,670	694,615
Receipts (Payments) for Funds Held in Trust	-	-	(9,915)	(9,915)	(31,395)
Payments to Employees	-	-	(43,506)	(43,506)	(37,921)
Payments to Vendors	(12,947)	(2,863)	(155,383)	(171,193)	(177,570)
Payments to Mortgage Purchases and Advances	(274,615)	(94,740)	(934,156)	(1,303,511)	(1,036,958)
Payments for Interest and Amortization	(50,430)	(37,888)	(2,469)	(90,787)	(81,249)
Receipts (Payments) for Other	(1,098)	-	(7,042)	(8,140)	314
Net Cash Provided (Used) by Operating Activities	(186,411)	(21,059)	(142,424)	(349,894)	(396,318)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Bond Premium	4,218	-	-	4,218	7,065
Receipts from Proceeds of Sale of Bonds and Obligations	245,500	535,975	-	781,475	478,215
Payments for Retirement of Bonds	(100,465)	(229,200)	-	(329,665)	(339,630)
Contributed Cash from the State	-	-	65,800	65,800	67,200
Receipts (Payments) from (on) Notes Payable	(19,775)	-	9,500	(10,275)	19,775
Transfers and Other	9,500	6,037	(15,537)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	138,978	312,812	59,763	511,553	232,625
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition of Capital Assets	-	-	(857)	(857)	-
Net Cash Used by Capital Financing Activities	-	-	(857)	(857)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of Investments	-	(41,309)	(51,287)	(92,596)	(240,989)
Sales/Maturities of Investments	-	19	74,760	74,779	306,897
Earnings on Investments	11,600	27,750	26,830	66,180	58,596
Net Cash Provided (Used) by Investing Activities	11,600	(13,540)	50,303	48,363	124,504
CHANGE IN CASH AND CASH EQUIVALENTS	(35,833)	278,213	(33,215)	209,165	(39,189)
Cash and Cash Equivalents - Beginning of Year	276,579	369,502	862,569	1,508,650	1,547,839
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 240,746</u>	<u>\$ 647,715</u>	<u>\$ 829,354</u>	<u>\$ 1,717,815</u>	<u>\$ 1,508,650</u>

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024
(WITH PARTIAL SUMMARIZED TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Primary Government				
	Bonds and Obligation Funds		General Fund	Business-Type Activities	
	Single Family Mortgage Component	Multi-Family Housing Component		2024	2023
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 2,234	\$ (1,244)	\$ 29,911	\$ 30,901	\$ 6,901
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	-	-	431	431	387
Gain/Loss on Real Estate Owned	417	-	3	420	885
Provision for Loan Losses	1,098	3,281	21,647	26,026	22,867
Amortization of Premium and Discounts	(3,198)	(173)	-	(3,371)	(3,157)
Effects of Changes in Operating Assets and Liabilities:					
Mortgage and Other Loans Receivable, Net	(195,149)	(21,831)	(93,559)	(310,539)	(347,292)
Fees and Other Charges Receivable	-	-	(438)	(438)	(711)
Mortgage Interest Receivable	(1,839)	(1,181)	-	(3,020)	(2,730)
Due from Loan Servicers and Insurers	7,004	-	3,475	10,479	(7,961)
Other Assets	272	(3)	(6,651)	(6,382)	(863)
Real Estate Owned	(187)	-	-	(187)	(458)
Interest Rate Swaps	-	-	1,851	1,851	(540)
Due to / from Bank	-	-	-	-	-
Due to/from Other Funds	-	(623)	623	-	-
Deferred Outflows - Pension	-	-	156	156	1,896
Deferred Outflows - OPEB	-	-	(404)	(404)	1,611
Accrued Interest Payable on Bonds	2,136	(1,602)	-	534	2,972
Advance from the State of New Jersey	-	-	(100)	(100)	(265)
Funds Held in Trust for Mortgagor	-	-	(2,015)	(2,015)	(20,827)
Minimum Escrow Requirement	-	248	(90)	158	159
Mortgagor Escrow Deposits	-	-	(7,810)	(7,810)	(10,741)
Subsidy Payments Received in Advance	-	-	(235)	(235)	4
Unearned Revenue	-	-	(78,319)	(78,319)	(27,836)
Interest Rate Swaps	-	-	(1,851)	(1,851)	540
Pension Liability	-	-	(4,737)	(4,737)	(1,302)
OPEB Liability	-	-	(1,929)	(1,929)	(2,443)
Deferred Inflows - Pension	-	-	1,176	1,176	(4,563)
Deferred Inflows - OPEB	-	-	(3,907)	(3,907)	(3,038)
Other Liabilities	801	2,069	348	3,218	187
Net Cash Provided (Used) by Operating Activities	<u>\$ (186,411)</u>	<u>\$ (21,059)</u>	<u>\$ (142,424)</u>	<u>\$ (349,894)</u>	<u>\$ (396,318)</u>

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF FIDUCIARY NET POSITION
OPEB TRUST
DECEMBER 31, 2024
(IN THOUSANDS)

ASSETS

Cash and Cash Equivalents	\$ 1,282
Investment Income Receivable	5
Investments (Mutual Funds)	<u>43,898</u>
Total Assets	<u><u>\$ 45,185</u></u>

LIABILITIES

Accrued Expenses and Benefits Payable	\$ 100
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NET POSITION - RESTRICTED FOR OPEB

	<u>45,085</u>
Total Liabilities and Net Position	<u><u>\$ 45,185</u></u>

See accompanying Notes to Financial Statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OPEB TRUST
YEAR ENDED DECEMBER 31, 2024
(IN THOUSANDS)

ADDITIONS:

Employer Trust Contributions	\$ 4,670
Investment Income (Loss):	
Interest	1,256
Gain on Sale of Investments	1,707
Net Increase in Fair Value of Investments	523
Less: Direct Investment Expenses	<u>(128)</u>
Net Investment Income (Loss)	<u>3,358</u>
Total Additions	8,028

DEDUCTIONS:

Benefit Payments	<u>2,024</u>
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NET INCREASE IN NET POSITION

6,004

Net Position Restricted for OPEB - Beginning of Year

39,081

NET POSITION RESTRICTED FOR OPEB - END OF YEAR

\$ 45,085

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Agency

Authorizing Legislation and Organization – The New Jersey Housing and Mortgage Finance Agency (the Agency), which is established in, but not part of, the Department of Community Affairs, is a body, corporate and politic, created by the New Jersey Housing and Mortgage Finance Agency Law of 1983, constituting Chapter 530, Laws of New Jersey, 1983 (the Act), which combined the New Jersey Housing Finance Agency and the New Jersey Mortgage Finance Agency into a single agency.

The initial legislation and subsequent amendment grant the Agency the power to issue debt to finance the construction and rehabilitation of housing projects for families of low and moderate income by providing mortgage loans to qualified housing sponsors or to increase the funds available for residential mortgage and rehabilitation or improvement loans. In addition, the Agency is authorized to make loans to boarding home operators for life safety improvements.

The Agency is governed by nine members: the Commissioner of the Department of Community Affairs who serves as Chair, the State Treasurer, the Attorney General, the Commissioner of Banking and Insurance, and the Commissioner of the Department of Human Services who are members of the New Jersey Housing and Mortgage Finance Agency ex officio, and four persons appointed by the governor with the advice and consent of the State Senate for terms of three years.

Certain bonds and other obligations issued under the provisions of the Act are general obligations of the Agency to which its full faith and credit are pledged. Certain mortgages issued from the proceeds of Multi-Family Housing Revenue Bonds are insured by the Federal Housing Administration. The Agency has no taxing power; however, certain bonds issued are separately secured, special, and limited obligations of the Agency. See Note 7 to the financial statements for a more detailed discussion of the Agency's bonds, notes, and obligations.

Federal Subsidy Programs – Many of the Agency-financed Multi-Family Housing projects (the projects) have entered into subsidy contracts with the U.S. Department of Housing and Urban Development (HUD) under Section 236 of the National Housing Act, as amended, or under Section 8 of the United States Housing Act of 1937, as amended (Section 8). The subsidies, paid to the Agency for the account of the respective projects, have been pledged, under the terms of the bond resolutions, for the security of the bondholders.

The Section 8 program provides for payment of housing assistance payments to or for the account of the owners of projects assisted under such program. The housing assistance payments represent the difference between the total contract rents (an average of 141% of fair market rents as determined by HUD) for such developments and the eligible tenants' rental payments, which are up to 30% of each such tenant's adjusted income. The housing assistance payments, as adjusted from time to time by HUD to reflect changing economic conditions and subject to the limitations of the Section 8 program, together with the tenants' rental payments, are used to pay all operating costs of the project and debt service on the project's mortgage.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of the Agency (Continued)

The Section 236 program provides for interest reductions on mortgages of projects assisted under the program. HUD subsidizes the difference between the actual amortization schedule on the mortgages and an amortization schedule based upon a 1% interest rate. Several Section 236 projects also receive additional rental assistance for eligible tenants. The payments represent the difference between contract rent (as defined above) and the tenants' eligible rental payments.

The Section 236 Interest Reduction Payments (IRP) received by the Agency amounted to approximately \$1,837 for the year ended December 31, 2024.

A fiduciary fund is used to account for resources held for the benefit of parties outside the Agency. The Agency's fiduciary fund is the New Jersey Housing and Mortgage Finance Agency OPEB 115 Trust Fund (the Trust). The Trust is a separate legal entity created pursuant to a trust agreement initiated by the Agency established for the sole purpose of providing health and welfare benefits for retirees and their eligible spouses and dependents as provided by the New Jersey State Health Benefits Program (the Program) and is considered a fiduciary component unit of the Agency. All resources of the Trust, including income on investments and other revenues, are held in trust to meet obligations to provide the health and welfare benefit payments to retirees and their eligible spouses and dependents. Resources of the Trust may also be used to pay reasonable expenses of administering the Trust and the Program. Trust receipts consist of contributions made by the Agency. The Trust administers its affairs through its trustee, records its assets in segregated accounts, and maintains financial records separate from the Agency.

Reporting Entity

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure and determining whether the Agency itself is a component unit, the Agency applies the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement Nos. 39, 61, 80, 90, and 97. Through the application of these GASB criteria, management of the Agency determined that the Agency is a component unit of the state of New Jersey. The Agency's financial statements are discretely presented as part of the state's financial statements.

In addition, management of the Agency determined that A Better Camden Corporation is a component unit of the Agency due to control and financial accountability as further described below.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

A Better Camden Corporation

On April 17, 1997, the board members of the Agency approved the formation of a wholly owned subsidiary corporation, A Better Camden Corporation (ABC). The board consists of four state directors and three Camden directors as follows: The Commissioner of the New Jersey Department of Community Affairs, ex officio, or his or her designee; the Executive Director of the Agency, ex officio, or his or her designee; two employees of the Agency appointed by, and serving at the pleasure of the Executive Director of the Agency; the Mayor of the City of Camden, ex officio, or his or her designee; the Executive Director of the Camden Redevelopment Agency, ex officio, or his or her designee; and one resident of Camden appointed by a majority of the other directors to serve for a term of two years. ABC was formed to stimulate and encourage the construction, rehabilitation, and improvement of adequate and affordable housing in Camden, particularly for persons of low and moderate income.

The activity and balances of ABC are immaterial to the Agency as a whole and, therefore, the Agency has chosen not to include ABC in their financial statements as a blended component unit. Separate financial statements are issued for ABC and can be obtained by contacting the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

Basis of Presentation, Measurement Focus, and Accounting

The Agency engages only in business-type activities. The financial statements of the Agency are presented as enterprise funds and accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recorded when earned, regardless of when the cash flow takes place. Operating costs and expenses are charged to expense as incurred. The Agency is required to follow all statements of the GASB and the accompanying financial statements have been prepared in conformance with accounting principles generally accepted in the United States of America (GAAP).

The Trust engages only in fiduciary activities. Separate financial statements are presented for the Trust since fiduciary activity is excluded from presentation in enterprise fund financial statements. The Trust uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, regardless of when the cash flow takes place. Operating costs and expenses are charged to expense as incurred. The Trust is required to follow all statements of the GASB and the accompanying financial statements have been prepared in conformance with GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Partial Summarized Financial Information

The basic financial statements include certain prior year summarized comparative information that is not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2023, from which the summarized information was derived. Certain reclassifications have been made to prior year summarized balances in order to conform to current year presentation. The reclassifications did not affect net position or changes therein.

Descriptions of Funds

The accounts of the Agency are organized on the basis of separate enterprise funds, each of which is considered to be a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position, and revenues and expenses. Within each fund there are accounts required by the respective bond resolutions.

The Agency reports the following as major funds:

General Fund – The General Fund is utilized to record transactions which are not directly related to a specific bond resolution. All Agency expenses are recorded in this fund except provisions for potential loan losses, and specific program expenses which are charged to the loan-related funds.

Multi-Family Program – The Multi-Family Program transactions relate to the construction, rehabilitation, and permanent financing of multifamily rental housing developments generally designed entirely or with a percentage of persons and families of low and moderate income or for senior citizens. Assets under the bond resolutions are restricted and are not available for any other purpose other than as stated.

Single Family Program – The Single Family Program transactions relate to the purchase of mortgage loans for owner-occupied single family residences for persons and families of low and moderate income. Assets under the bond resolution are restricted and are not available for any other purpose other than as provided.

The Agency reports the following as a fiduciary fund:

New Jersey Housing Mortgage and Finance Agency OPEB 115 Trust Fund – The Trust is a separate legal entity created pursuant to a trust agreement initiated by the Agency on December 22, 2017. The Trust is an Other Postemployment Benefit (OPEB) trust established for the sole purpose of providing health and welfare benefits for retirees and their eligible spouses and dependents as provided by the New Jersey State Health Benefits Program (the Program). All resources of the Trust, including income on investments and other revenues, are held in trust to meet obligations to provide the health and welfare benefit payments to retirees and their eligible spouses and dependents. Resources of the Trust may also be used to pay reasonable expenses of administering the Trust and the Program. Trust receipts consist of contributions made by the Agency. The Trust administers its affairs through its trustee, records its assets in segregated accounts, and maintains financial records separate from the Agency. The Trust is presented in the accompanying fiduciary fund financial statements.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with a maturity of three months or less when purchased, short-term highly liquid money market funds, overnight repurchase agreements, and amounts held in a tax-free cash management fund, all of which are readily convertible to known amounts of cash.

Investments

Investments in United States Government and Agency securities, asset backed securities, corporate notes, and commercial paper are reported at fair value. Investments in guaranteed investment contracts (GICs) are reported at cost. The Agency's investment agreements are reported at an amount equal to principal and accrued interest.

Investments of the Trust fiduciary fund are stated at fair value. The fair value is generally based on quoted market prices at December 31, 2024.

Capital Assets and Related Depreciation

The Agency capitalizes all capital assets with an acquisition value greater than \$2,000 at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Building Improvements	25 Years
Motor Vehicles	4 Years
Machinery and Equipment	4 to 10 Years
Furniture and Fixtures	5 Years

Expenses for maintenance and repairs are charged to operating expenses. Renewals and betterments are capitalized. At the time properties are retired or otherwise disposed of, their cost and related accumulated depreciation are eliminated from the accounts and the gains or losses from such disposals are credited or charged to operations.

Real Estate Owned

Real estate owned represents real estate acquired through foreclosure and in-substance foreclosures. Real estate owned is recorded at the lower of the investment in the loan or the estimated net realizable value.

Funds and Deposits Held for Projects

Certain funds and deposits are held by the Agency's General Fund for projects in interest-bearing accounts. Such interest accrues to the benefit of the projects and is not recorded as Agency revenue.

Debt Issuance Costs, Bond Discount, and Other Bond Related Costs

Debt issuance costs except prepaid insurance costs are expensed in the period incurred. Discount and premium on bonds are unearned and amortized to interest expense using a method approximating the effective interest method.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Other assets at the Agency consists of various accounts receivable, foreclosure, and prepaid expenses. At December 31, 2024, the Agency's other current assets in the general fund consisted of:

Foreclosures	\$ 141
Prepaid Expenses - Admin	598
Accounts Receivable - Single-Family HAS	655
Accounts Receivable - Multi-Family HAS	133
Accounts Receivable - Tax Credits	1
Accounts Receivable - HMIS	500
Accounts Receivable - Conduit Bonds	883
Accounts Receivable - Sheriff Sale Fees	98
Accounts Receivable - FSA	1,309
Total	<u>\$ 4,318</u>

As of December 31, 2024, other current assets for the single-family programs consisted of foreclosures of \$780 and other current assets for the multi-family programs consisted of due from bank of \$358.

Mortgage Loans

Mortgage loans are stated at principal amounts outstanding, net of unearned discount. Interest income on first mortgage loans is accrued and credited to interest income as earned. The Agency is involved in foreclosure proceedings relating to both single and multi-family mortgages. For single family mortgages, the Agency allows its outside servicers to represent them in Agency-approved foreclosure proceedings. The Agency enacts foreclosure proceedings against multifamily loans at the direction of its executive director with the approval of the Agency's board. The Agency is the first lien holder for all supplemental mortgages. Interest income on supplemental mortgages is not accrued but is credited to income as collected.

Mortgage Servicing Rights

Certain mortgage loans are sold with mortgaged servicing rights retained by the Agency. The value of mortgage loans sold with servicing rights retained is reduced by the cost allocated to the associated mortgage servicing rights. Gain or losses on sales of mortgage loans are recognized based on the difference between the selling price and the carrying value of the related mortgage loans sold. The Agency estimates fair value for servicing rights based on the present value of future expected cash flows, using management's best estimate of the key assumptions — credit losses, prepayment speeds, servicing costs, earnings rate, and discount rates commensurate with the risks involved.

Capitalized servicing rights are reported at fair value and changes in fair value are reported in net income for the period the change occurs.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses

Certain projects have not generated sufficient cash flow to meet both operating expenses and debt service payments as a result of delays in attaining full occupancy levels, rising operating costs, or a combination thereof. The Agency has developed programs designed to provide adequate cash flow for these projects by obtaining additional rental assistance subsidies from HUD, rent increases, additional contributions by limited-dividend sponsors, the State of New Jersey Bond and Housing Assistance Funds, and the Agency's General Fund. In addition, the single family homeowners may face similar cash flow issues causing loans to become uncollectible. The Agency has provided allowances for loan losses of \$301,218 as of December 31, 2024, against mortgage loans receivable, debt service arrears receivable, supplemental mortgages, other loans, and fees and charges including provision for negative cash flows and cost overruns for these projects. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluations of the collectability of the loans. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans, and current economic conditions that may affect the borrowers' ability to pay. Economic conditions may result in the necessity to change the allowance quickly in order to react to deteriorating financial conditions of the Agency's borrowers. As a result, additional provisions on existing loans may be required in the future if borrowers' financial conditions deteriorate or if real estate values decline.

Advances from the State of New Jersey for Bond and Housing Assistance

Pursuant to the provisions of agreements with the State of New Jersey Department of Community Affairs, the Agency has received funds from the 1968 and 1976 State of New Jersey General Obligation Bond Assistance Funds. These funds have been pledged as security for the bonds of certain bond resolutions and to provide supplemental financing to certain housing projects (see Note 8).

Advances from the State of New Jersey for Affordable Housing

Pursuant to the provisions of an agreement with the State of New Jersey Department of Community Affairs, the Agency has received funds to facilitate the building of low-income projects. These funds are included in restricted cash and cash equivalents.

Minimum Escrow Requirement

In accordance with the bond resolutions and/or deed and regulatory agreements, substantially all permanently financed projects are required to deposit with the Agency one month's principal and interest on their mortgage loans as security against the late payment of subsequent remittances.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue

Unearned revenues arise when potential revenue has not been earned in the current period. Unearned revenues also arise when resources are received by the Agency before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements and/or the occurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met or when the Agency has a legal claim to the resources, the liability for the unearned revenue is removed from the statement of net position, and revenue is recognized.

Other Liabilities

Other liabilities at the Agency consists of various accounts payable and accrued payroll expenses. At December 31, 2024, the Agency's other current liabilities in the general fund consisted of:

Accounts Payable and Accrued Expenses	\$ 1,565
Multi-Family Fees	528
Due to BPU	3,793
Suspense	2,585
Payroll Expenses - Miscellaneous	3,569
Total	<u>\$ 12,040</u>

As of December 31, 2024, other current liabilities for the single family programs consisted of various payables of \$82 and other current liabilities for the multi-family programs was \$0.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources, reported after total liabilities, is defined by GASB as an acquisition of net asset that applies to future periods. The revenue is recognized in the applicable future period(s). The Agency has three items that are required to be reported in this category: (1) the deferred inflows from pension, (2) the deferred inflows from OPEB, and (3) the accumulated increase in fair value of hedging derivatives. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net asset that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until the future period. The Agency has three items that are required to be reported in this category: (1) differences between expected and actual experience, changes in assumptions, and employer proportionate share of the net pension liability that are being amortized over future periods, (2) the deferred outflows from OPEB, and (3) the accumulated decrease in fair value of hedging derivatives.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the State of New Jersey State Health Benefits Plan (the Plan). For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except money market investments and participating interest-earning investment contracts with a maturity at time of purchase of one year or less, which are reported at cost.

Net Position

Net position comprises the excess of revenues over expenses from operating income, nonoperating revenues, expenses, and capital contributions. Net position is classified in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.

Restricted – Net position is reported as restricted when constraints placed on net position use either: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of assets that do not meet the definition of restricted or net investment in capital assets. This component includes assets that may be designated for specific purposes by the board.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and unrestricted resources as needed.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Nonoperating Revenues and Expenses

Operating revenues consist primarily of all revenues derived from interest income on mortgage loans, fees, and charges on mortgages and loans issued and gains on the sale of real estate owned and mortgage-backed securities. Investment income, which consists of interest income earned on various interest-bearing accounts and on investments in debt securities is reported as nonoperating revenues.

Operating expenses include general and administrative expenses of the Agency; salaries and benefits; costs and expenses incurred in connection with the issuance and sale of certain bonds and notes; fees and expenses of trustees and depository and paying agents; and other costs associated with the Agency's various loan programs.

Derivative Instruments

The Agency enters into various interest rate swaps in order to manage risks associated with interest on its bond portfolio.

Tax Status

The Agency is exempt from federal income taxes under the Internal Revenue Code (IRC) Section 115 and from state income taxes under N.J.S.A. 27-25-16. Accordingly, no provision is recorded for federal and state income taxes.

NOTE 2 EARLY EXTINGUISHMENT OF DEBT

During the year ended December 31, 2024, as a result of the prepayment and refinancing of certain mortgages, the Agency repurchased or redeemed, prior to their scheduled maturity, the principal amount of certain of its bonds, totaling approximately \$218,165.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS AND DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Agency's or Trust's deposits may not be returned to it. The Agency has no formal policy as to custodial credit risk related to cash and equivalents held outside of its Bond Resolutions. Certain Bond Resolutions have varying provisions which relate to custodial credit risk including requirements that certain monies and certain deposits of funds held under Resolutions be insured by federal deposit insurance or collateralized or secured by the U.S. government, or U.S. government agency obligations. In some cases, the Trustee or paying agent is excluded from these requirements related to funds held by them in trust. In some cases, certain Bond Resolutions require that the holders (banks and other entities) of certain deposits have certain minimum long-term or short-term credit rating levels. All funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). As of December 31, 2024, the Agency's bank balance amounted to \$93,930, of which \$10,782 was not collateralized. Subsequent to year-end, as of January 2, 2025, the Agency's deposits as of December 31, 2024 were fully collateralized.

Investment Policy – Agency General Fund

The Agency has established an investment policy, which pertains to assets of the Agency such as the General Fund assets, which are held outside of the Agency's Bond Resolutions. The primary investment objectives of the Agency's investment activities are to preserve principal, meet liquidity needs, further purposes of the Agency, and provide a suitable return in relationship to current market conditions and the established investment policy. The Agency's investment policy includes guidelines as to liquidity and duration, eligible investments, concentration limits, credit quality, and currency. The Agency's General Fund investments are managed by BlackRock pursuant to an agreement between the Agency and BlackRock. BlackRock has been instructed to follow the Agency's aforementioned investment policy.

The investment policy permits investments in obligations issued by U.S. Treasury or guaranteed by the U.S. government as well as obligations issued by or guaranteed by U.S. federal agencies, commercial paper, repurchase agreements having maximum maturities of seven days or less that are fully collateralized by U.S. government and/or agency securities, money market mutual funds, equity investments in project specific housing and housing-related developments, and commercial bank obligations including time deposits, bank notes and bankers' acceptances, certain AA rated asset backed and AA+ rated mortgage backed securities, highly rated corporate bonds and bond obligations of the Agency.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Investment Types

The Agency holds various investments, outside of the Bond Resolutions, within the Agency's General Fund. As discussed, these investments are currently managed by BlackRock. In addition to the eligible investments permitted by the Agency's Investment Policy discussed above, the aforementioned Investment Policy also permits corporate bonds, notes, and medium-term notes.

Also permitted are asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations, however, these securities must be rated AA or higher by at least one of the national rating agencies. Equity investments in project-specific housing and housing-related developments which further the purposes of the Agency are also permitted with approval from the Agency Board. Further, excluding the aforementioned equity investments, the Agency's Investment Policy indicates the maximum effective duration of any individual security is not to exceed 10.5 years.

In addition to those investments discussed above, certain Bond Resolutions also permit guaranteed investment contracts or investment agreements, obligations, or notes of certain U.S. government agencies which are not backed by the U.S. government, certain short-term and long-term debt providing the issuers fall within permissible rating categories, direct and general obligations of the state of New Jersey guaranteed by the state, obligations of states and municipalities which are fully secured by contributions contracts with the U.S. government, certain stripped U.S. Treasury securities, shares of open-end, diversified investment companies having certain minimum credit ratings, and Federal Housing Administration debentures.

Investment Policy – Bond Resolutions

The Agency's Bond Resolutions govern the investment of assets and funds held under the Resolutions and, as such, establish permitted investments in which funds held under the Resolutions may be invested. Generally, the Bond Resolutions permit the deposit of funds with commercial banks and the investment of funds in time deposits and certificates of deposits, U.S. government obligations, obligations of certain U.S. Government Agencies or obligations that are guaranteed by the U.S. government. Additionally, certain Bond Resolutions also permit the investment in money market funds with stipulated rating and maturity levels, as well as repurchase agreements, certain federal funds, commercial paper, bankers acceptances, and funds of which the New Jersey treasurer is custodian.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

New Jersey and Bank of America Cash Management Funds

During the year, the Agency invested monies in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, which prescribes standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. The Fund does not have a credit rating. The Agency also utilizes Bank of America Cash Management Funds for certain project escrow accounts. These funds are invested in government securities and New Jersey municipal securities. There are no limitations or restrictions on withdrawal from the pools.

The fund is recorded at amortized cost. The fair value of the Agency's position in the fund is the same as the fair value of the pooled investment shares. As the pool is not SEC registered, the regulatory oversight of the pool rests with the New Jersey State Treasury.

The following assets held by the Agency as of December 31, 2024, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

Cash and Cash Equivalents:

Cash	\$ 94,352
Money Market Funds	881,826
NJ Cash Management Fund	489,500
Bank of America Cash Management Fund	252,137
Investments	531,489
Total	<u>\$ 2,249,304</u>

OPEB Trust

The following assets held by the Fiduciary Fund of the Agency as of December 31, 2024, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

Cash and Cash Equivalents:

Cash	\$ 1,282
Investments	43,898
Total	<u>\$ 45,180</u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Agency's investment policy as to monies held outside the bond resolutions impose concentration limits on certain types of investments which may limit the Agency's exposure to market interest rate risk. Certain investment types may have varying sensitivity to changes in interest rates. Corporate bonds and notes and medium-term notes may not exceed 50% of the aggregate market value of the portfolio. Asset-backed securities may not exceed 30% of the aggregate market value of the portfolio and mortgage-backed securities and collateralized mortgage obligations may not exceed 20% of the aggregate market value of the portfolio.

The maximum effective duration of the General Fund investment portfolio for cash and cash equivalents is not to exceed 10.5 years.

As of December 31, 2024, the value and maturities for the assets related to the General Fund were as follows:

Assets	Value	Maturities (in Years)				
		Less Than 1	1-5	6-10	11-15	More Than 15
Cash and Cash Equivalents:						
Cash and Cash Equivalents	\$ 86,028	\$ 86,028	\$ -	\$ -	\$ -	\$ -
Money Market Funds	92,423	92,423	-	-	-	-
NJ Cash Management Fund	398,766	398,766	-	-	-	-
Bank of America Cash Management Fund	252,137	252,137	-	-	-	-
Investment Type:						
Money Market Funds	16,853	16,853	-	-	-	-
U.S. Govt and Agency Obligations	90,122	8,625	51,186	30,311	-	-
Commercial Mortgage-Backed Securities	15,909	-	1,134	524	3,698	10,553
Collateralized Mortgage Obligations	50,588	2,481	23,513	10,138	4,835	9,621
Asset-Backed Securities	21,138	-	8,342	3,786	3,090	5,920
Municipal Bonds	13,285	-	-	-	-	13,285
Corporate Notes	83,316	3,832	65,713	13,771	-	-
Foreign Governments and Supranational Organizational Debt	2,872	-	2,112	760	-	-
Total	\$ 1,123,437	\$ 861,145	\$ 152,000	\$ 59,290	\$ 11,623	\$ 39,379

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Interest Rate Risk (Continued)

As of December 31, 2024, the value and maturities for the assets related to the Fiduciary Fund were as follows:

Assets	Value	Maturities (in Years)	
		Less Than 1	1-5
Cash and Cash Equivalents	\$ 1,282	\$ 1,282	\$ -
Mutual Funds	43,898	43,898	-
Total	<u>\$ 45,180</u>	<u>\$ 45,180</u>	<u>\$ -</u>

As of December 31, 2024, the value and maturities for the assets related to the Bond Resolutions were as follows:

Assets	Value	Maturities (in Years)				
		Less Than 1	1-5	5-10	11-15	More Than 15
Cash and Cash Equivalents:						
Cash and Cash Equivalents	\$ 8,324	\$ 8,324	\$ -	\$ -	\$ -	\$ -
Money Market Funds	789,403	789,403	-	-	-	-
NJ Cash Management Fund	90,734	90,734	-	-	-	-
Investments:						
Private Debt Obligations	234,562	-	2,340	4,002	28,220	200,000
Federal Home Loan Mortgage Corp.	2,844	-	-	2,844	-	-
Total	\$ 1,125,867	\$ 888,461	\$ 2,340	\$ 6,846	\$ 28,220	\$ 200,000

Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Agency's investment policy specifies minimum rating levels for certain types of eligible investments. Asset-backed securities must have a minimum rating of AA, while mortgage-backed securities and collateralized mortgage obligations must have a minimum rating of AA+. Further, the minimum short-term debt rating of money market instruments or other instruments with maturities of less than one year is Aaa-mf/AAAm while the minimum long-term debt rating for all other instruments, excluding the permitted equity investments, is BBB.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Credit Risk (Continued)

The Agency's Bond Resolutions establish varying minimum rating levels for different types of investments. Generally, commercial paper must be rated in the highest rating category or A-1 / P-1 and money market funds must be rated in the highest rating category or in some cases must be rated at least equal to the unenhanced rating on the bonds. Also, certain resolutions require that certain deposits or various short-term investments or cash equivalents may only be held by providers in either the highest or two highest rating categories. In some cases, certain debt obligations and state obligations must be rated in either the highest or the two highest rating categories. The Agency's guaranteed investment contracts which are permitted by certain of the Agency's Bond Resolutions are not rated, however, the Bond Resolutions which allow guaranteed investment contracts require either that the provider of such contracts have a long-term rating of double A or in some cases A-1 if the agreement term is less than one year or be rated within the two highest credit rating categories by two national credit rating agencies, must not affect the rating of the bonds or must be rated at least equal to the unenhanced rating on the bonds.

As of December 31, 2024, the General Fund had the following investments, maturities, and credit quality:

	Fair Value	Par (Face) Value	Adjustment Between Fair and Par Value	Weighted Average Maturity (Years)	Credit Ratings	
					S&P	Moody's
Investment Type:						
Money Market Funds	\$ 16,853	\$ 16,853	\$ -	N/A	N/A	N/A
U.S. Govt and Agency Obligations	90,122	92,035	(1,913)	4.75	AA+	Aaa
Commercial Mortgage- Backed Securities	15,909	15,954	(45)	2.92	AAA to AA+	Aaa
Collateralized Mortgage Obligations	50,588	54,903	(4,315)	3.26	AA+	Aaa
Asset Backed Securities	21,138	21,220	(82)	2.11	AAA	Aaa
Municipal Bonds	13,285	13,285	-	23.88	AA-	Unrated
Corporate Notes	83,316	85,057	(1,741)	3.57	AAA to BBB	Aaa to Baa2
Foreign Governments and Supranational Organizational Debt	2,872	3,115	(243)	3.71	AAAA	Aaa to Aa1
Total Investments	<u>\$ 294,083</u>	<u>\$ 302,422</u>	<u>\$ (8,339)</u>			

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Credit Risk (Continued)

As of December 31, 2024, the Bond Resolutions had the following investments, maturities, and credit quality:

	Fair Value	Par (Face) Value	Adjustment Between Fair and Par Value	Weighted Average Maturity (Years)	Credit Ratings	
					S&P	Moody's
Investment Type:						
Private Debt Obligations	\$ 234,562	\$ 234,562	\$ -	4.74	Unrated	Unrated
Federal Home Loan Mortgage Corporation	2,844	2,566	278	7.54	AA+	AAA
Total Investments	<u>\$ 237,406</u>	<u>\$ 237,128</u>	<u>\$ 278</u>			

Concentration of Credit Risk

The Agency's aforementioned investment policy does place limits on the amounts that may be invested in any one issuer relating to certain types of investments. There are no concentration limits on obligations of the U.S. government and U.S. federal agencies; however, obligations of all other issuers are limited such that those with any one issuer may not exceed 5% of the aggregate market value of the portfolio. The table below shows those investments of the General Fund that represented 5% or more of total investments as of December 31, 2024.

Issuer	December 31, 2024	
U.S. Treasury	\$ 90,122	30.65%

The Agency also purchases U.S. government securities from certain financial institutions under agreements whereby the seller has agreed to repurchase the securities at cost plus accrued interest. During the year ended December 31, 2024, the Agency did not invest in any repurchase agreements.

Although the bond resolutions do not impose such limits, the following table shows investments of the bond resolutions in issuers that represent 5% or more of total investments at December 31, 2024:

Issuer		
Guaranteed Investment Contracts	\$ 16,450	6.9%
Mass Mutual Investment Agreement	\$ 11,770	5.0%
Barclays Bank PLC, New York Branch (Escrow Agreement)	\$ 200,000	84.2%

Pursuant to most bond resolutions, the Agency is required to maintain certain invested debt service reserves with the Trustees to fund potential deficiencies in principal and interest required to be paid in succeeding fiscal years.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Concentration of Credit Risk (Continued)

The debt service reserves required for the Multi-Family Program were \$63,606 as of December 31, 2024. The required reserves were covered by the \$230,560 restricted noncurrent investments at December 31, 2024.

The debt service reserves required for the Single Family Program were \$27,477 as of December 31, 2024, which is 2% of bonds outstanding. The required reserves were covered by the \$2,844 restricted noncurrent investments at December 31, 2024, with the remainder covered by restricted money market funds.

Fair Value Measurements

The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Money market accounts and guaranteed investment contracts are recorded at amortized cost or contract value, thus are not included within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Fair Value Measurements (Continued)

As of December 31, 2024, the General Fund had the following recurring fair value measurements:

<u>Investments by Fair Value Level</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Debt Securities:				
Government and Agency Obligations	\$ 90,122	\$ -	\$ 90,122	\$ -
Commercial Mortgage-Backed Securities	15,909	-	15,909	-
Collateralized Mortgage Obligations	50,588	-	50,588	-
Asset-Backed Securities	21,138	-	21,138	-
Municipal Obligations	13,285	-	13,285	-
Foreign Governments	2,872	-	2,872	-
Total Debt Securities	193,914	-	193,914	-
Equity Securities:				
Corporate Notes	83,316	-	83,316	-
Total Investments by Fair Value Level	<u>\$ 277,230</u>	<u>\$ -</u>	<u>\$ 277,230</u>	<u>\$ -</u>
Mortgage Servicing Rights	<u>\$ 16,310</u>	<u>\$ -</u>	<u>\$ 16,310</u>	<u>\$ -</u>
Derivative Instruments	<u>\$ 566</u>	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ -</u>

As of December 31, 2024, the Fiduciary Fund had the following recurring fair value measurements:

	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>
Cash and Cash Equivalents	\$ 1,282
Investments	43,898
Total	<u>\$ 45,180</u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 3 INVESTMENTS AND DEPOSITS (CONTINUED)

Fair Value Measurements (Continued)

As of December 31, 2024, the Bond Resolutions had the following recurring fair value measurements:

- Private Debt Obligation securities of \$230,560 are valued using significant other observable inputs (Level 2).
- Pay-fixed, receive variable interest rate swap agreements of \$2,500 are valued using the matrix pricing technique (Level 2).

Investment Income

Investment income is comprised of the following elements:

Interest Income – is the return on the original principal amount invested and the amortization of premium/discount on short-term investments.

Unrealized Gain (Loss) on Investments – takes into account all changes in fair value that occurred during the year.

The Agency's investment income for the year ended December 31, 2024, is:

Interest Income on Investments	\$ 66,745
Gain/(Loss) on Investments	913
Unrealized Gain(Loss) on Investments	<u>(2,076)</u>
Total	<u><u>\$ 65,582</u></u>

NOTE 4 MORTGAGE LOANS RECEIVABLE

Single Family Mortgage Component

Mortgage loans held by the Single Family Mortgage Program of the Agency have stated interest rates of 1.00% to 10.65% per annum and are secured by first liens on the related real property. The outstanding balances by type of loan as of December 31, 2024, are as follows:

Mortgage Loans Receivable	\$ 1,426,006
Allowance for Loan Losses	<u>(6,365)</u>
Mortgage Receivable, Net	1,419,641
Less: Current Portion	<u>(35,099)</u>
Long-Term Portion	<u><u>\$ 1,384,542</u></u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 4 MORTGAGE LOANS RECEIVABLE (CONTINUED)

Multi-Family Housing Component

The Multi-Family Housing Component of the Agency's mortgage loans receivable as of December 31, 2024, consisted of the following:

Mortgage Loans Subject to Subsidy Contracts Under	
Section 8 of the United States Housing Act	\$ 24,509
Mortgage Loans Subject to Subsidy Contracts Under	
Section 236 of the National Housing Act	42,980
Unsubsidized Mortgage Loans	765,039
Subtotal	832,528
Allowance for Loan Losses	(4,887)
Undisbursed Mortgage Loans	(38,910)
Mortgage Receivable, Net	788,731
Less: Current Portion	(74,295)
Long-Term Portion	\$ 714,436

The Multi-Family Housing Component mortgage loans are repayable over terms originally up to 48 years and bear interest at rates from 0% to 10% per annum. Substantially all mortgage loans receivable are collateralized by first mortgages on the property of the housing sponsors and contain exculpatory clauses with respect to the liability of the principals of such housing sponsors. Construction advances made from the proceeds of the sale of bonds and obligations are recorded as mortgage loans receivable. These funds are disbursed for construction costs, interest, carrying fees, working capital advances, and other project-related expenses. Upon substantial completion and occupancy of the project, amortization of the loan will commence.

General Fund Component

The General Fund mortgage loans receivable as of December 31, 2024, consisted of the following:

Mortgage Loans Subject to Subsidy Contracts Under	
Section 236 of the National Housing Act	\$ 946
Unsubsidized Mortgage Loans	277,852
Loans Held for Sale	64,521
Subtotal	343,319
Allowance for Loan Losses	(102,186)
Advanced (Undisbursed) Mortgage Proceeds	(351)
Mortgage Receivable, Net	240,781
Less: Current Portion	(68,779)
Long-Term Portion	\$ 172,002

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 MORTGAGE LOANS RECEIVABLE (CONTINUED)

General Fund Component (Continued)

The general fund's mortgage receivables consists of the following at December 31, 2024:

	Total	Source		Specific Program
		HMFA	State of NJ	
Multi-Family				
General Fund Mortgage	\$ 147,136	\$ 147,136	\$ -	
Transitional Housing	1,601	1,601	-	X
Choice Mortgage	1,074	1,074	-	X
Sizzle	43,380	43,380	-	X
Homeless Special Housing Partnership	279	279	-	X
Small Rental Project	6,385	6,385	-	X
Special Needs Program Mortgage	8,306	8,306	-	X
Special Needs Housing Partnership	20,097	8,018	12,079	X
Single Family				
Non Securitized Loans	42,091	42,091	-	
Special Needs and Closing Costs	8,448	7,917	531	X
Mortgage Held for Sale (MBS)	64,521	64,521	-	X
Total (before loan loss allowance and undisbursed)	343,318	330,708	12,610	
Allowance	(102,186)			
Undisbursed	(351)			
Net Mortgage Receivable	\$ 240,781			

The general fund's supplemental mortgage receivables consists of the following at December 31, 2024:

	Total	Source		Specific Program
		HMFA	State of NJ	
Multi-Family				
General Fund Supplemental Mortgages	\$ 104,337	\$ 104,337	\$ -	
Capital and Safety Improvement	3,025	2,074	951	X
Affordable Rental Housing Assistance	22,295	18,119	4,176	X
Transitional Housing	729	729	-	X
Home Express	147,686	-	147,686	X
Agency Loans	3,045	3,045	-	
Small Rental Project	1,997	1,997	-	X
Special Needs Housing Trust Fund	195,002	-	195,002	X
Promissory Notes	23,715	23,715	-	
Balanced Housing	3,550	-	3,550	X
CIAP State	23,737	-	23,737	
Social Services	10,638	-	10,638	
Single Family				
Developmental Disabled	1,231	-	1,231	X
Non Securitized	50	-	50	
Closing Cost Assistance	4,191	3,634	557	X
Downpayment Assistance	75,399	1,860	73,539	X
Total (before loan loss allowance and undisbursed)	620,627	159,510	461,117	
Allowance	(185,403)			
Undisbursed	(16,152)			
Net Supplemental Mortgage Receivable	\$ 419,072			

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 4 MORTGAGE LOANS RECEIVABLE (CONTINUED)

Mortgage Servicing Rights

Mortgage loans serviced for others are not included in the accompanying statement of net position. The unpaid principal balance of mortgage loans serviced for others amounted to \$1,346,000 at December 31, 2024. Mortgage servicing rights are included in Other Assets in the accompanying statement of net position. The Agency has elected to record its mortgage servicing rights using the fair value measurement method. Significant assumptions used in determining the fair value of servicing rights as of December 31, 2024, include prepayment assumptions based on the Public Securities Associations Standard Prepayment Model, an internal rate of return of 11.5% to 13.5%, servicing costs of \$85 to \$100 per loan (not in thousands) annually (with higher costs for delinquent loans), an inflation rate on servicing costs of 3% and an earnings rate of 1.50%.

The following is a summary of mortgage servicing rights activity for the year ended December 31, 2024.

Fair Value at Beginning of Year	\$ 10,483
Changes in Fair Value	<u>5,827</u>
Fair Value at End of Year	<u><u>\$ 16,310</u></u>

NOTE 5 SUPPLEMENTAL MORTGAGES AND OTHER LOANS

Certain projects have received supplemental mortgages and other loans from the Agency's General Fund and/or from the State of New Jersey Bond and Housing Assistance Funds. An allowance for loan losses has not been provided on supplemental mortgages funded from the State Bond and Housing Assistance Funds because the Agency is not obligated to repay the state until the projects repay the Agency.

Single Family Housing Component

The Single Family Housing Component of the Agency's supplemental mortgage receivable and other loans as of December 31, 2024, consisted of the following:

Supplemental Mortgages	\$ 2,180
Allowance for Loan Losses	<u>(2,093)</u>
Long-Term Supplemental Mortgages, Net	<u><u>\$ 87</u></u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 5 SUPPLEMENTAL MORTGAGES AND OTHER LOANS (CONTINUED)

General Fund Component

The General Fund supplemental mortgages and other loans receivable as of December 31, 2024, consisted of the following:

Agency Supplemental Mortgages (Unsubsidized)	\$ 424,760
Special Needs Housing Trust Fund Mortgages	195,604
State of New Jersey Supplemental Mortgages	250
Other	13
Subtotal	<u>620,627</u>
Allowance for Loan Losses	(185,403)
Undisbursed Supplemental Mortgage Proceeds	<u>(16,152)</u>
Supplemental Mortgages and Other Loans Receivable, Net	419,072
Less: Current Portion	<u>(9,296)</u>
Long Term Portion	<u><u>\$ 409,776</u></u>

Based on the program type, certain supplemental loans under the General Fund Component have significant allowances in place.

NOTE 6 CAPITAL ASSETS

Capital assets are summarized as follows:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Nondepreciable Capital Assets:				
Land	\$ 1,225	\$ -	\$ -	\$ 1,225
Depreciable Capital Assets:				
Building and Building Improvements	17,530	-	-	17,530
Motor Vehicles	536	79	(110)	505
Machinery and Equipment	7,853	778	(112)	8,519
Furniture and Fixtures	652	-	-	652
Total	<u>26,571</u>	<u>857</u>	<u>(222)</u>	<u>27,206</u>
Less: Accumulated Depreciation:				
Building and Building Improvements	(15,437)	(221)	-	(15,658)
Motor Vehicles	(532)	(19)	110	(441)
Machinery and Equipment	(7,696)	(191)	112	(7,775)
Furniture and Fixtures	(651)	-	-	(651)
Total	<u>(24,316)</u>	<u>(431)</u>	<u>222</u>	<u>(24,525)</u>
Total Capital Assets, Net	<u><u>\$ 3,480</u></u>	<u><u>\$ 426</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,906</u></u>

Depreciation expense was \$431 for the year ended December 31, 2024.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 7 LONG-TERM DEBT

Bonds and Obligations

The Agency obtains funds to finance its various mortgage programs through the sale of bonds and other obligations. Interest on Agency bonds and obligations is generally payable monthly, quarterly, or semiannually. Generally, bond principal is due in annual or semiannual installments. Term bonds are subject to redemption by application of sinking fund installments. Pursuant to the related bond and obligation resolutions, the Agency has authorized and issued as of December 31, 2024, the following bonds and obligations:

	Bonds			Bonds	
	Outstanding December 31,			Outstanding December 31,	Amount Due Within One
Description of Bonds as Issued	2023	Issued	Reductions	2024	Year
Single Family Housing Revenue Bonds					
2018 Series A, 1.65% to 4.50%, due 2018 to 2048	\$ 95,255	\$ -	\$ 13,180	\$ 82,075	\$ -
2018 Series B, 3.60% to 4.50%, due 2018 to 2048	100,595	-	10,185	90,410	10,515
2019 Series C, 2.55% to 4.75%, due 2019 to 2050	143,880	-	10,785	133,095	-
2019 Series D, 1.90% to 4.00%, due 2019 to 2026	19,430	-	9,380	10,050	9,560
2020 Series E, 1.50% to 3.50%, due 2020 to 2051	195,880	-	17,460	178,420	-
2020 Series F, 0.55% to 1.90%, due 2020 to 2028	32,460	-	1,105	31,355	2,265
2020 Series G, 0.743% to 1.729%, due 2020 to 2026	22,090	-	11,135	10,955	9,735
2021 Series H, 0.15% to 5.00%, due 2021 to 2052	125,730	-	9,610	116,120	3,250
2022 Series I, 2.35% to 5.00%, due 2022 to 2053	309,230	-	14,165	295,065	6,505
2023 Series J, 3.00% to 5.50%, due 2023 to 2053	184,245		3,460	180,785	2,875
2024 Series K 3.5% - 6.00% due 2024 to 2055	-	205,500	-	205,500	2,415
2024 Series L 5.00% - 6.079% due 2024 to 2055	-	40,000	-	40,000	275
Total Single Family Housing Revenue Bonds	1,228,795	245,500	100,465	1,373,830	47,395
Total Single Family Bonds Program	1,228,795	245,500	100,465	1,373,830	47,395
Net Premium on Bonds Payable	45,389	4,218	3,198	46,409	-
Total Single Family Bonds Payable (Net)	\$ 1,274,184	\$ 249,718	\$ 103,663	\$ 1,420,239	\$ 47,395
	Bonds			Bonds	
	Outstanding December 31,			Outstanding December 31,	Amount Due Within One
Description of Bonds as Issued	2023	Issued	Reductions	2024	Year
Multi-Family Housing Revenue					
1991 Series I, (Presidential Plaza)					
6.20% to 7.00%, Due 1991 to 2030	\$ 51,680	\$ -	\$ 7,175	\$ 44,505	\$ 7,685

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds and Obligations (Continued)

Description of Bonds as Issued	Bonds			Bonds	
	Outstanding December 31, 2023	Issued	Reductions	Outstanding December 31, 2024	Amount Due Within One Year
Multi-Family Revenue Bonds 2005					
Resolution					
2009 Series D, variable rate, due 2010 to 2048	\$ 13,850	\$ -	\$ 565	\$ 13,285	\$ 605
2012 Series F, 4.83%, due 2014 to 2042	300	-	10	290	5
2014 Series A, 3.4% to 4.55%, due 2016 to 2045	1,790	-	100	1,690	100
2014 Series B, 4.100% to 5.25%, due 2014 to 2046	19,005	-	990	18,015	1,050
2015 Series A, 2.850% to 4.00%, due 2016 to 2045	9,710	-	200	9,510	215
2015 Series C, 3.80%, due 2016 to 2047	6,840	-	165	6,675	170
2015 Series E, 3.470% to 4.671%, due 2015 to 2045	80,790	-	4,275	76,515	3,400
2016 Series A, 2.3% to 3.90%, due 2018 to 2050	38,055	-	1,105	36,950	1,165
2016 Series C, 3.350% to 5.00%, due 2016 to 2046	2,790	-	120	2,670	130
2016 Series D, 2.600% to 3.70%, due 2016 to 2036	1,890	-	105	1,785	115
2017 Series A, 2.600% to 4.200%, due 2018 to 2050	26,885	-	3,725	23,160	3,540
2017 Series C, 2.900% to 4.450%, due 2017 to 2048	10,900	-	610	10,290	635
2017 Series D, 3.228% to 4.968%, due 2017 to 2051	32,035	-	2,480	29,555	2,570
2018 Series A, 2.6% to 4.10%, due 2019 to 2053	35,590	-	1,480	34,110	1,605
2018 Series C, 3.450% to 4.550%, due 2019 to 2048	36,010	-	2,105	33,905	2,240
2018 Series F, Variable Rate, due 2039 to 2048	27,185	-	-	27,185	1,980
2018 Series G, Variable Rate, due 2019 to 2039	46,965	-	1,910	45,055	295
2018 Series H, Variable Rate, due 2019 to 2039	6,050	-	290	5,760	-
2019 Series A, 1.60% to 3.15%, due 2020 to 2053	11,625	-	210	11,415	220
2019 Series C, 2.380% to 4.00%, due 2020 to 2058	45,970	-	1,140	44,830	1,190
2020 Series A, .550% to 2.625%, due 2021 to 2056	25,380	-	570	24,810	575
2020 Series B, .550%, due 2022 to 2024	1,575	-	1,575	-	-
2020 Series C, 1.150% to 3.4%, due 2021 to 2055	34,575	-	1,745	32,830	1,730
2021 Series A, .650% to 2.75%, due 2022 to 2056	35,470	-	1,090	34,380	1,165
2021 Series B, .650% to .90%, due 2022 to 2025	39,640	-	30,150	9,490	9,490
2021 Series C, 1.213% to 3.155%, due 2022 to 2061	38,975	-	1,380	37,595	1,395
2023 Series A, 4.85% to 5.05%, due 2023 to 2057	22,590	-	-	22,590	-
2023 Series B, 3.6%, due 2023 to 2026	23,270	-	-	23,270	-
2023 Series C, 4.0% to 5.0%, due 2023 to 2038	57,950	-	3,930	54,020	3,805
2023 Series D, 4.871% to 5.927%, due 2023 to 2057	29,850	-	-	29,850	-
2023 Series E, variable rate, due 2024 to 2063	160,000	-	160,000	-	-
2024 Series A, 3.25% to 4.60%, due 2025 to 2060	-	42,050	-	42,050	115
2024 Series B, 3.375% to 3.50%, due 2027 to 2029	-	71,610	-	71,610	-
2024 Series C, 4.544% to 5.904%, due 2025 to 2055	-	62,315	-	62,315	250
2024 Series D, variable rate, due 2025 to 2064	-	200,000	-	200,000	-
2023 Series E1, 3.25% to 4.60%, due 2025 to 2060	-	75,655	-	75,655	260
2023 Series E2, 3.30% to 3.37%, due 2026 to 2027	-	84,345	-	84,345	-
Total Multi-Family Revenue Bonds	923,510	535,975	222,025	1,237,460	40,015
Total Multi-Family Bonds Program	975,190	535,975	229,200	1,281,965	47,700
Net Premium (Discount) on Bonds Payable	472	-	173	299	-
Total Multi-Family Bonds Payable (Net)	975,662	\$ 535,975	\$ 229,373	1,282,264	47,700
Total Bonds Payable	\$ 2,249,846			\$ 2,702,503	\$ 95,095

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NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds and Obligations (Continued)

In 2024, the Agency issued \$245,500 of Single-Family Housing Revenue Bonds, 2024 Series K&L. This bond issue, which was comprised entirely of new money proceeds, was self-designated as Non-AMT Social Bonds.

In December 2024, the Agency issued \$175,975 tax-exempt and taxable Multi-Family Revenue Bonds 2024 Series A-C. The bond issue is self-designated as Social Bonds. The bond issue financed 18 new money rental housing developments containing a total of 1,481 units.

On December 22, 2023, the Agency issued its \$160,000 Multi-Family Revenue Bonds, 2023 Series E (Non-AMT) (the 2023 Direct Purchase Bonds), which were directly purchased from the Agency by Barclays Capital Inc. in December 2024. The 2023 E Bonds consist of (i) a portion of the original 2023 Direct Purchase Bonds in the aggregate principal amount of \$75,655, which were redesignated as the 2023 E-1 Bonds and remarketed in December 2024 as fixed interest rate bonds and (ii) a portion of the original 2023 Direct Purchase Bonds in the aggregate principal amount of \$84,345, which were redesignated as the 2023 E-2 Bonds and remarketed as fixed interest rate bonds in December 2024.

In December 2024, the Agency issued \$200,000 tax-exempt Multi-Family Revenue Bonds 2024 Series D which were directly purchased from the Agency by Barclays Capital, Inc.

As of December 31, 2024, there was \$38,910 of undisbursed proceeds of construction loans and there was \$249,288 committed but not yet closed proceeds from the sale of bonds and obligations. Such funds represent initial mortgage loan funds committed to Multi-Family Housing sponsors authorized under the MFRB resolution.

The approximate principal and interest payments required on outstanding bonds and obligations over the next five years and thereafter are as follows:

Agency Component	Fixed and Unhedged Variable Rate	
	Principal	Interest
Single Family		
2025	\$ 47,395	\$ 54,181
2026	48,040	52,861
2027	47,740	51,508
2028	47,175	50,058
2029	48,705	48,538
2030-2034	250,755	217,256
2035-2039	235,020	171,399
2040-2044	225,755	126,119
2045-2049	241,245	76,746
2050-2054	179,900	22,851
2055-2059	2,100	76
Total	<u>\$ 1,373,830</u>	<u>\$ 871,593</u>

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NOTE 7 LONG-TERM DEBT (CONTINUED)

Bonds and Obligations (Continued)

Future Principal and Interest Requirements

Agency Component	Fixed and Unhedged Variable Rate		Hedged Variable Rate			Total Principal	Related Interest and Interest Rate Swaps, Net
	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net		
Multi-Family							
2025	\$ 44,820	\$ 44,242	\$ 2,880	\$ 4,478	\$ 870	\$ 47,700	\$ 49,590
2026	108,280	44,993	3,075	4,371	803	111,355	50,167
2027	105,735	44,156	3,175	4,213	775	108,910	49,144
2028	40,995	38,436	3,370	4,051	744	44,365	43,231
2029	77,255	35,864	3,435	3,874	718	80,690	40,456
2030-2034	142,620	157,059	23,405	16,140	3,028	166,025	176,227
2035-2039	137,545	129,070	25,290	9,605	1,890	162,835	140,565
2040-2044	123,385	111,954	14,220	4,912	1,021	137,605	117,887
2045-2049	91,140	82,633	12,435	1,212	262	103,575	84,107
2050-2054	76,730	62,842	-	-	-	76,730	62,842
2055-2059	40,095	48,090	-	-	-	40,095	48,090
2060-2064	202,080	43,564	-	-	-	202,080	43,564
Total	<u>\$ 1,190,680</u>	<u>\$ 842,903</u>	<u>\$ 91,285</u>	<u>\$ 52,856</u>	<u>\$ 10,111</u>	1,281,965	<u>\$ 905,870</u>
Net: Unamortized Premium/(Discount)						299	
Total						<u>\$ 1,282,264</u>	

Other Long-Term Debt

On September 29, 2023, the Agency obtained a Revolving Line of Credit and Security Agreement (Credit Facility) for \$25,000. The line of credit bears interest at the daily simple SOFR rate for each applicable interest period. Proceeds of all advances made under the line of credit are solely for the purpose of funding single-family mortgage loans that are consistent within the loan criteria applicable to the Agency's homeowner program or preserving volume cap. In 2024, the Agency recorded the line of credit under the general fund as opposed to the SFHRB fund in 2023.

Short-term debt activity related to the line of credit for the year ended December 31, 2024, was as follows:

	Outstanding December 31, 2023		Issued	Reductions	Outstanding December 31, 2024	
Line of Credit	\$	19,775	\$	-	\$	9,500

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 8 CONDUIT DEBT OBLIGATIONS

The Agency may issue bonds to provide funds to local housing authorities to finance on an accelerated basis certain capital renovations and improvements to each of the authority's public housing developments. The bonds are payable from and secured primarily by Capital Fund Program monies, subject to the availability of appropriations to be paid by the United States Department of HUD to each authority. The Agency may also issue other bonds for housing development purposes. These bonds are limited commitments to the Agency. The bonds, which are considered conduit debt obligations by GASB, do not constitute a debt or pledge of the faith and credit of the Agency and, accordingly, have not been reported in the accompanying financial statements. At December 31, 2024, conduit debt outstanding aggregated \$1,445.

The Agency's MF Conduit Bonds outstanding as of December 31, 2024, are as follows:

Conduit Project	Series	Closing Date	Debt Issuance	Balance 12/31/2023	Balance 12/31/2024
Capital Funds Program Revenue Bonds	2004-A	12/23/2004	\$ 79,860	\$ 6,882	\$ 3,310
Capital Funds Program Revenue Bonds	2007-A	8/15/2007	18,585	3,240	2,495
2006-A Meadow Brook Apartments	2006-A	9/9/2006	8,350	5,905	5,905
Woodbury Oakwood Housing Project	2011-A	12/21/2011	4,550	4,025	3,955
Asbury Park Gardens	2012-A	7/1/2012	14,310	12,035	11,770
Washington Dodd Apartments	2012-F	12/12/2012	19,755	15,665	15,325
Carl Miller Homes	2012-C	12/28/2012	31,656	2,345	2,237
Hampshire House	2012-D	1/11/2013	6,400	5,650	5,545
Alexander Hamilton III	2013-B	2/20/2013	11,762	549	467
Great Falls	2013-M	1/9/2014	15,400	13,890	13,658
Brigantine Apts.	2014-G	1/30/2014	11,510	10,180	10,010
Catherine Todd	2014-N	10/24/2014	9,415	4,130	4,073
Atlantic City Townhouses	2014-P	12/23/2014	17,800	12,349	12,142
Glennview Townhouses Phase II	2014-R	12/30/2014	6,243	2,794	2,755
Willows at Waretown	2014-M	6/27/2014	9,281	2,256	2,224
Paragon Village Senior Living Campus	2015-Q	2/27/2015	13,700	12,570	-
Fairview Homes	2015-L	5/7/2015	13,200	11,570	11,336
609 Broad	2015-D	5/12/2015	66,800	44,269	43,631
Lexington Manor	2015-B	6/29/2015	11,750	10,115	9,945
Hollybush I & II	2015-S	10/14/2015	14,500	13,220	13,025
Riverside Arms	2015-H	11/20/2015	17,550	10,872	10,717
Edward Sisco Senior Citizens Village	2015-O	12/4/2015	18,232	12,743	12,276
North 25 Apartments	2015-F	12/15/2015	14,850	13,600	13,390
Brunswick Estates	2015-AA	12/17/2015	27,000	9,539	9,396
Egg Harbor	2015-BB	12/30/2015	10,790	794	781
Colt Arms	2016-A	1/15/2016	21,455	15,025	14,855
Pavilion	2016-B	3/1/2016	26,667	20,000	19,636
The Aspire Project	2016-1	5/24/2016	49,935	49,935	49,935
Ocean Towers	2016-E	5/26/2016	9,200	5,562	5,466
Wesmont Station	2016-J	6/27/2016	2,638	2,435	2,400
Glassworks at Aberdeen	2016-L	8/23/2016	17,540	2,747	2,702
Keansburg Mixed Income	2016-I	9/27/2016	35,745	14,195	13,979
999 Broad Phase I	2016-H	11/1/2016	10,706	9,161	8,908
Montgomery Gardens Family Phase I	2016-M	11/21/2016	23,573	9,232	9,108
Oak Lane at Little Egg Harbor	2017-C	3/10/2017	8,977	1,414	1,395
New Horizons Phase I	2017-A	4/12/2017	20,798	5,205	5,140
Montgomery Heights II	2017-3	4/28/2017	21,300	7,632	7,530
Willows at Whiting	2017-1	5/5/2017	10,079	1,887	1,862
Jacobs Landing	2017-2	5/18/2017	17,065	3,031	2,995
Residences at Willow Pond Village	2017-H	5/24/2017	2,089	1,936	1,907
Stafford Senior Apartments	2017-E	5/31/2017	13,065	443	386
Bridgeton Villas	2017-4	6/19/2017	9,553	6,882	6,774
Berkeley Terrace Apartments	2017-G	7/14/2017	17,500	15,283	15,094
New Hope Village	2017-D	9/14/2017	14,511	7,862	7,690
Victorian Towers	2017-5	10/31/2017	13,067	9,806	9,360
Gardens Family & Senior	2017-7	11/21/2017	23,568	22,271	21,912
Douglas Homes	2017-8	11/21/2017	12,583	11,891	11,499
Roseville Senior	2017-9	11/21/2017	7,238	6,357	6,255
Commons Family & Senior	2017-10	11/21/2017	40,321	32,632	32,106
Perth Amboy Housing Authority Family RAD	2017-K	11/30/2017	11,300	2,173	2,126
Washington Street/ St. James	2017-6	11/30/2017	18,734	18,003	17,553

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NOTE 8 CONDUIT DEBT OBLIGATIONS (CONTINUED)

Conduit Project (Continued)	Series	Closing Date	Debt Issuance	Balance 12/31/2023	Balance 12/31/2024
Marveland Crescent	2017-M	12/22/2017	\$ 5,955	\$ 2,762	\$ 2,723
Cedar Meadows Apartments	2017-11	12/22/2017	16,070	10,058	9,926
Heritage Village at Galloway	2018-G 1,2	9/11/2018	16,021	1,003	990
Manahawkin Family Apartments	2018-I	11/15/2018	9,690	1,350	1,268
Flemington Junction Apartments	2018-J	11/1/2018	4,659	4,389	4,327
North Brunswick Crescent	2018-L 1,2	11/20/2018	15,255	14,436	14,236
Dalina Manor	2018-M	11/2/2018	2,804	2,644	2,606
Vista Village Apartments	2018-1	8/23/2018	10,263	3,322	3,277
Harvard Printing Apartments	2018-2	10/25/2018	9,690	9,023	8,865
Waretown Family Apartments	2019-A	2/8/2019	8,940	643	570
The Station at Grant Avenue	2019-B1,B2	4/18/2019	15,415	4,086	4,021
Al Gomer Residence	2019-1A,B	5/16/2019	9,525	7,562	7,465
Daughters of Israel	2019-2A,B	5/16/2019	19,770	19,267	19,045
Howell Family Apartments	2019-3A,B	4/5/2019	12,180	2,331	2,228
Sencit Liberty Apartments	2019-4A,B	9/30/2019	23,211	11,863	11,748
Franklin Square Village	2019-5	8/19/2019	25,500	23,931	23,525
Greater Englewood Apartments	2019-6	12/19/2019	22,600	21,384	21,040
Cooper Plaza Townhomes Preservation	2019-7A,B	12/12/2019	6,900	3,012	2,977
540 Broad Street	2019-8A	12/19/2019	15,000	14,908	14,743
Wenrock Senior Living	2020-1	5/7/2020	9,300	4,628	4,574
Netherwoods Village	2020-2	12/4/2020	14,350	13,826	13,636
Baldwin Oaks	2020-3	12/31/2020	36,160	34,651	34,099
Audubon Towers	2021-2	4/6/2021	12,000	11,617	11,458
Whitlock Mills	2021-1	8/31/2021	26,321	25,924	25,644
Essex Plaza One	2021	10/27/2021	72,500	70,779	69,915
Zion Towers	2021-4	11/18/2021	33,150	31,348	30,945
Cherry Gardens	2021-B	12/16/2021	37,870	36,784	36,187
Morristown Senior	2021-3	12/23/2021	31,710	31,042	30,678
OAHS Arlington	2022-1	3/29/2022	25,240	24,734	24,418
New Brunswick	2022-C2	6/29/2022	18,500	18,500	-
New Brunswick	2022-C1	6/29/2022	5,000	5,000	4,953
Amity Heights	2022-A	7/8/2022	29,067	29,067	-
Norman Towers	2022-2	7/15/2022	76,975	75,539	74,433
Tamarack Station	2022-4	9/21/2022	24,195	23,840	23,524
Crestbury Apartments	2022-D1,D2	9/23/2022	41,560	37,253	37,253
Corinthian Towers	2022-3	10/20/2022	26,000	26,000	25,850
Bergenvue Apartments	2022-5A,5B	10/25/2022	20,270	20,149	20,124
Baltic Plaza	2022-6	12/8/2022	19,769	19,611	19,435
Essex Plaza 2 & 3	2022-9	12/9/2022	35,800	35,532	35,234
New York Avenue	2022-8	12/13/2022	17,549	17,379	17,190
OAHS Manahan Village	2022-7B	12/15/2022	10,176	10,176	10,176
OAHS Manahan Village	2022-7A	12/15/2022	35,079	34,885	34,671
Somers Point Village	2023-1	2/8/2023	29,700	29,512	29,247
Glenn Oaks	2023-2	4/27/2023	4,290	4,290	4,227
New Center City	2023-C	5/31/2023	10,150	10,150	10,150
Delsea Village	2023-A1,A2	6/13/2023	15,233	15,220	15,061
Argus Ellison	2023-3A,3B	10/12/2023	20,200	20,200	6,477
Hamilton Square	2023-B	11/30/2023	11,400	11,400	11,400
New Irvine Turner	2024-C	1/31/2024	15,845		15,845
Riverview Towers	2024-B	2/23/2024	35,000		35,000
The Place at Marlboro	2024-1	5/3/2024	22,790		22,790
Forest Hill House	2024-A1, A2	5/15/2024	20,869		20,869
Tamerlane Apartments	2024-D1,D2	8/28/2024	19,562		4,049
Summer Hill of Wayne	2024-E1, E2	12/11/2024	15,058		15,058
Lafayette Village Apartments	2024-2A,2B	12/11/2024	31,285		15,515
Total Conduit Debt			<u>\$ 2,091,827</u>	<u>\$ 1,411,197</u>	<u>\$ 1,444,606</u>

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NOTE 9 FUNDS HELD IN TRUST FOR MORTGAGORS

Funds held by the Agency for its projects include proceeds from conversion of projects from nonprofit to limited dividend status in the form of development cost and community development escrows and unspent subsidies. These funds are available to absorb initial operating deficits, construction overruns, provide additional amenities to the projects, and for other contingencies.

Funds held in trust for mortgagors as of December 31, 2024, include the following:

General Fund:

Community Development Escrows	\$ 1,489
Development Cost Escrows	413
Other Funds Held in Trust	<u>293,780</u>
Total General Fund	295,682
Multi-Family Housing Component	<u>3,091</u>
Total	<u><u>\$ 298,773</u></u>

NOTE 10 MORTGAGOR ESCROW DEPOSITS

The Agency holds, in escrow, monthly deposits from the projects for payments of property and liability insurance, hazard insurance, payments in lieu of taxes, and major repairs and replacements and undisbursed earnings. Mortgagor escrow deposits as of December 31, 2024, include the following:

General Fund:

Reserve for Repairs and Replacements	\$ 46,253
Tax and Insurance Escrows	<u>173,151</u>
Total	<u><u>\$ 219,404</u></u>

NOTE 11 CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity is summarized as follows:

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Bonds and Obligations, Net	\$ 2,249,846	\$ 785,693	\$ (333,036)	\$ 2,702,503	\$ 95,095
Minimum Escrow Requirement	6,243	394	(236)	6,401	-
Funds Held in Trust for Mortgagor	300,788	417,558	(419,573)	298,773	-
Other Noncurrent Liabilities	5,675	3,263	(671)	8,267	-
OPEB Liability	6,658	-	(1,929)	4,729	-
Net Pension Liability	40,032	-	(4,737)	35,295	-
Derivative Instruments	6,542	-	(4,042)	2,500	-
Unearned Revenues	302,919	48,416	(126,735)	224,600	-
Total	<u>\$ 2,918,703</u>	<u>\$ 1,255,324</u>	<u>\$ (890,959)</u>	<u>\$ 3,283,068</u>	<u>\$ 95,095</u>

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NOTE 12 NET POSITION

Changes in net position are summarized as follows:

	Net Investment in Capital Assets	Restricted	Unrestricted	Total
Net Position at December 31, 2023	\$ 3,480	\$ 882,640	\$ 567,192	\$ 1,453,312
Net Income	-	(127,249)	289,532	162,283
Acquisition of Capital Assets	857		(857)	-
Transfer	-	15,537	(15,537)	-
Depreciation on Capital Assets	(431)	-	431	-
Net Position at December 31, 2024	<u>\$ 3,906</u>	<u>\$ 770,928</u>	<u>\$ 840,761</u>	<u>\$ 1,615,595</u>

Restricted Under Bond and Obligation Resolutions

As described in Note 3, monies within each Bond and Obligation Fund are pledged as security for the respective bondholders, and thus are restricted as to their application.

Restricted

Restricted net position represents the portion of total net position restricted by the various programs established for the sole purpose of providing housing and residential opportunities for individuals with special needs. All restricted amounts are net of related liabilities.

Appropriated General Fund Net Position

Appropriated General Fund net position is unrestricted net position that has been designated by the Agency's members for the following purposes at December 31, 2024. The appropriated general fund net position makes up part, but not all, of the unrestricted net position reported on the statement of net position.

ABC Corporation	\$ 9
Bond Refunding Proceeds	1,608
Developmental Disabilities Partnership	6
Foreclosure Mediation Assistance Program	8,319
Homeless Management Information System	100
Hospital Partnership Subsidy Program	30,413
MBS Mortgage Backed Security Start up	782
Neighborhood Redevelopment and Revitalization	7,590
NJHMFA Portion of Undisbursed Mtg. Proceeds	17
Non-Bond Multi-Family Program	51,182
Portfolio Reserve Balance	574
Smart Start	4,047
Special Needs Housing Subsidy Loan Program	17,695
Strategic Zone Lending Pool	55,534
Total	<u>\$ 177,876</u>

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NOTE 13 PENSION PLAN

Plan Description

The Agency contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. This plan provides retirement, death and disability, and medical benefits to qualified members. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B. The plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Plan Benefits and Membership

The following represents the membership tiers for PERS:

Tier	Definition
1	Members Who Were Enrolled Prior to July 1, 2007
2	Members Who Were Eligible to Enroll on or After July 1, 2007, and Prior to November 2, 2008
3	Members Who Were Eligible to Enroll on or After November 2, 2008, and Prior to May 22, 2010
4	Members Who Were Eligible to Enroll on or After May 22, 2010, and Prior to June 28, 2011
5	Members Who Were Eligible to Enroll on or After June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credits, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 7.50% in state fiscal year 2024. Employer contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Agency's contributions to the plan for fiscal years ended December 31, 2024, 2023, and 2022, were \$3,534, \$3,694, and \$3,454, respectively, and were equal to the required contributions.

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NOTE 13 PENSION PLAN (CONTINUED)

Net Pension Liability

The net pension liability (NPL) was calculated for each entity within PERS based on a methodology that allocates the NPL and pension amounts based on the proportion of the total contributions made by each entity during the measurement period. The NPL was determined based on an actuarial valuation as of July 1, 2023, using updated actuarial assumptions applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The proportionate share for the Agency is 0.2576%, a decrease of 0.0165% from the prior year amount of 0.2741%. At December 31, 2024, the Agency reported a NPL of \$35,295 for its proportionate share of the NPL.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Agency recognized pension expense of \$433. At December 31, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$ 707	\$ 94
Changes of Assumptions	44	402
Changes in Proportion	439	2,129
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	1,636
Total	<u>\$ 1,190</u>	<u>\$ 4,261</u>

Actuarial Assumptions

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>	<u>Amount</u>
2025	\$ (1,486)
2026	1,149
2027	(662)
2028	(381)
2029	(1,691)
Total	<u>\$ (3,071)</u>

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NOTE 13 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The total pension liability (TPL) for the year ended June 30, 2024, was measured as of a valuation date of July 1, 2023, and projected to June 30, 2024, using the entry age normal cost method. The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018, to June 30, 2021. Significant actuarial assumptions used in the valuation included:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through All Future Years	2.75 - 6.55% Based on Years of Service
Long-Term Expected Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% per annum at June 30, 2024) is determined by the state treasurer, after consultation with the directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. The long-term expected rate of return was determined using a building block method 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.

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NOTE 13 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75	8.85
International Small Cap Equity	1.25	8.85
Emerging Markets Equity	5.50	10.66
Private Equity	13.00	12.40
Real Estate	8.00	10.95
Real Assets	3.00	8.20
High Yield	4.50	6.74
Private Credit	8.00	8.90
Investment Grade Credit	7.00	5.37
Cash Equivalents	2.00	3.57
U.S. Treasuries	4.00	3.57
Risk Mitigation Strategies	3.00	7.10

Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the state employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the pension liability.

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total Net Pension Liability PERS			
Local Group	\$ 18,207,153	\$ 13,702,424	\$ 9,868,925
Agency's Proportionate Share	46,898	35,295	25,420

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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Agency is a local employer in the State of New Jersey State Health Benefits Plan (SHBP). The state administers the plan and has the authority to establish and amend certain benefit provisions offered. The state's plan is considered a single employer defined benefit plan under the umbrella of the state plan. The Agency maintains a Trust that is a separate entity included as a fiduciary fund in the Agency's financial statements.

Benefits Provided

The Agency is responsible for the cost of health benefits provided to members of PERS who retired from the Agency with 25 years of service along with their spouses, and some dependent children. The plan offers comprehensive benefits through various plan providers consisting of hospital, medical, health, substance abuse, and prescription drug programs. At the valuation date of January 1, 2024, the following employees were covered by the benefit terms:

Active Plan Members	251
Retirees Currently Receiving Benefit Payments	113
Total	<u>364</u>
Spouses of Retirees	<u>64</u>

Contributions

On June 28, 2011, the State of New Jersey Legislature passed Pension and Health Benefits Reform. This legislation requires all employees to contribute a certain percentage of their health benefit premiums towards the cost of their coverage. The percentage is tiered based on coverage type and salary. The percentages range from 1% – 8.75% of the insurance premium based on salary, with a minimum of 1.5% of salary to be contributed. During the year ended December 31, 2024, the Agency paid \$4,670 in health insurance premiums for current employees. The Agency also paid \$2,024 for the year ended December 31, 2024, towards benefits for eligible retired members. Retired employees who are eligible for Medicare are also reimbursed for their portion of Medicare insurance premiums on a pay-as-you-go basis.

Net OPEB Liability

The Agency's net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023, which was rolled forward to a measurement date of December 31, 2024, for purposes of calculating the net OPEB liability.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary Increases	3.50%
Investment Rate of Return	5.25%
Healthcare Cost Trend Rates	18.00% for 2024 decreasing to an ultimate rate of 3.70% in 2090+

The plan has not had a formal actuarial experience study performed. Mortality rates were based on the PUBGH-2010 Mortality Tables head count weighted, projected forward using Mortality Improvement Scale MP-2021 from 2010 base year on a generational basis. The other actuarial assumptions are based on statewide experience study reports for the state of New Jersey.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	3.00 %	0.94 %
US Core Fixed Income (Aggregate)	47.00	2.36
US Large Cap Equity	10.50	5.33
US Large & Mid Cap Growth Equity	8.00	5.41
US Large & Mid Cap Value Equity	8.00	5.26
US Mid Cap Equity	7.00	5.73
US Small Cap Equity	4.00	6.82
Non-US Equity	10.00	7.62
Foreign Developed Equity	1.25	6.91
Emerging Markets Equity	1.25	9.29
Total	<u>100.00 %</u>	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

Discount Rate

The discount rate used to measure the OPEB liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that Agency contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
		Plan	
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at December 31, 2023	\$ 45,739	\$ 39,081	\$ 6,658
Changes for the Year:			
Service Cost	998	-	998
Interest on Total OPEB Liability	2,401	-	2,401
Effect of Economic/Demographic Gains or Losses	(34)	-	(34)
Effect of Assumptions, Changes, or Inputs	2,733	-	2,733
Employer Contributions	-	4,670	(4,670)
Net Investment Income	-	3,357	(3,357)
Benefit Payments	(2,023)	(2,023)	-
Net Changes	4,075	6,004	(1,929)
Balances at December 31, 2024	<u>\$ 49,814</u>	<u>\$ 45,085</u>	<u>\$ 4,729</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the Agency calculated using the discount rate of 5.25%, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current discount rate:

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
Net OPEB Liability	\$ 11,990	\$ 4,729	\$ (1,223)

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.

The following presents the net OPEB liability of the Agency calculated using the current healthcare cost trend rates as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. Trend rates for 2023 and 2024 reflect actual 2024 and 2025 premiums. Healthcare cost trend rates through 2090+ range from 7.2% to 3.6%:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ (2,624)	\$ 4,729	\$ 13,990

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the accompanying financial statements.

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, the Agency recognized OPEB expense of \$1,570. At December 31, 2024, the Agency reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference Between Expected and Actual Experience	\$ 1,167	\$ 102
Changes of Assumptions	12,555	6,536
Net Difference Between Projected and Actual Earnings	192	-
Total	<u>\$ 13,914</u>	<u>\$ 6,638</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ (2,473)
2026	(2,215)
2027	(3,591)
2028	409
2029	43
Thereafter	551
Total	<u>\$ (7,276)</u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 15 DEFERRED COMPENSATION ACCOUNT

The Agency offers its employees a choice of two Deferred Compensation Plans in accordance with Internal Revenue Code Section 457. The Plans, available to all full-time employees at their option, permit employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Agency or its creditors.

NOTE 16 RESERVE FOR INTEREST REBATE

The Tax Reform Act of 1986 placed restrictions on the investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within 60 days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of the bond settlement.

The Agency has various issues of bonds outstanding, which also had various settlement dates. Rebate calculations on these bonds are required to be made at least once every five years. However, the Agency prepares annual rebate calculations for purposes of determining any contingent liability for rebate.

At December 31, 2024, the MFRB resolution's rebate liability had a balance of \$2,161 and the SFHRB resolution's rebate liability had a balance of \$1,495.

NOTE 17 DERIVATIVE INSTRUMENTS

The Agency has several variable rate bond series currently outstanding. In order to protect against the potential of rising interest rates, the Agency entered into various pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what the Agency would have paid to issue fixed-rate debt. In some cases, the notional principal of the swap initially increases as the borrowed funds are anticipated to be loaned out. For footnote purposes, the fair values of the Agency's derivatives have been presented.

For each of the interest rate swaps, the Agency used one of the following methods to evaluate the hedge effectiveness of the potential hedging derivative instrument: consistent critical terms method, synthetic instrument method, or regression analysis method. The consistent critical terms method evaluates effectiveness by qualitative consideration of the uniformity of the significant terms of the hedgeable item with the terms of the potential hedging derivative instrument. If the relevant terms match, or in certain instances are similar, the potential hedging derivative instrument is determined to be effective. The synthetic instrument method evaluates effectiveness by combining the cash flows on the derivative with the cash flows on the hedged item to create a new instrument. The synthetic rate on the cash flows is calculated based on the combination of all the cash flows and is compared against the fixed rate on the derivative.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 17 DERIVATIVE INSTRUMENTS (CONTINUED)

A potential hedging derivative instrument is effective if the actual synthetic rate is within a range of 90% to 111% of the fixed rate of the potential hedging derivative instrument to be substantially fixed. The regression analysis method examines the statistical relationship between changes in the fair values or cash flows of a hedged item and its associated potential hedging derivative. For a potential hedging derivative instrument evaluated using regression analysis to be considered effective for financial reporting purposes, the analysis should produce an R-squared of at least 0.80, an F-statistic that indicates statistical significance at the 95% confidence level, and a regression coefficient for the slope between -1.25 and -0.80.

Terms, Fair Values, and Credit Risk

At December 31, 2024, all derivatives met the criteria for effectiveness.

The terms and fair values of the outstanding swaps as of December 31, 2024, are summarized in the following tables. The swaps are utilized to hedge the risk from the associated variable rate debt. The Agency's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated bonds payable category. The Agency pays a fixed interest rate on the notional amount that represents the principal amount of the related bonds. The Agency receives either 1-month LIBOR times the notional amount or SOFR times the notional amount for the taxable borrowings, or a percentage of 1-month LIBOR plus a fixed spread or The Securities Industry and Financial Markets Association Municipal Swap (SIFMA) Index times the notional amount for the tax-exempt borrowings from the counterparty, plus a fixed spread as applicable, as listed below. Where possible, only the net difference will be exchanged with the counterparty and the Agency continues to pay interest to the certificate-holders at the variable rate provided on the bonds. The purpose of the swap is to mitigate interest rate risk. The Agency will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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(IN THOUSANDS)

NOTE 17 DERIVATIVE INSTRUMENTS (CONTINUED)

The following table presents both the hedging derivative value and the off-market loan balances for swaps at December 31, 2024. This presentation has no effect on the net position of the Agency.

Associated Bond Issue	Variable Rate Bonds Date	Swap Notional Amount	Swap Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Hedging Derivative Value	Off-Market Loan Balance	Counterparty Credit Rating (Moody's/S&P/ Fitch)
Cash Flow Hedges:									
Cash Flow Hedges:									
MRB 2018-F- HMFA #1426 - Heritage Village at Manalapan	\$ 27,185	\$ 1,970	5/1/2010	11/1/2038	4.4500%	USD-SIFMA Municipal Swap Index + 33bp	\$ 148	\$ (184)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2018-F- HMFA #2190 - Royal Crescent		2,425	5/1/2010	11/1/2038	4.4950%	USD-SIFMA Municipal Swap Index + 33bp	188	(234)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2018-F- MRB 2018-G	45,055	46,525	5/1/2010	5/1/2048	4.6330%	USD-SIFMA Municipal Swap Index	5,451	(6,676)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2018-G		17,300	11/1/2006	5/1/2046	4.0493%	60.8% of 1-Mo LIBOR + 34 bp	1,869	(2,239)	Bank of America, N.A. Aa1 / A+ / AA
MRB 2018-G		4,025	4/1/2006	11/1/2039	4.3900%	USD-SIFMA Municipal Swap Index	96	(403)	JPMorgan Chase Bank, N.A. Aa1/AA-/AA
MRB 2018-H- HMFA #2265 - Sharp Road	5,760	1,920	5/1/2010	11/1/2039	6.1460%	1-Mo LIBOR + 80bp	195	(260)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2018-H		1,425	11/1/2005	5/1/2036	5.4350%	1-Mo LIBOR	92	(190)	JPMorgan Chase Bank, N.A. Aa1/AA-/AA
MRB 2018-H		2,415	11/1/2008	11/1/2038	5.6025%	1-Mo LIBOR	260	(316)	Bank of America, N.A. Aa1 / A+ / AA
MRB 2009-D HMFA 2101 - Acom	13,285	1,070	5/1/2010	5/1/2039	5.8570%	1-Mo LIBOR + 40bp	89	(127)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2009-D HMFA 1352 - King		5,535	5/1/2010	11/1/2038	5.5160%	1-Mo LIBOR + 25bp	451	(596)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2009-D HMFA 2171 - Royal		1,230	5/1/2010	11/1/2047	5.8860%	1-Mo LIBOR + 40bp	154	(185)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2009-D HMFA 2272 - Toms		2,775	5/1/2010	11/1/2039	5.3420%	1-Mo LIBOR + 25bp	199	(258)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
MRB 2009-D HMFA 1437 - Trenton		990	5/1/2010	11/1/2038	5.5660%	1-Mo LIBOR + 25bp	84	(108)	Wells Fargo Bank, N.A. Aa1 / A+ / AA-
Rate Lock - Freedom Village Roebling		3,290	1/1/2026	5/1/2056	4.1220%	100% SOFR	(31)	(17)	Wells Fargo, N.A. Aa1/A+/AA-
Rate Lock - Harper		3,420	9/1/2026	11/1/2056	3.7630%	100% SOFR	110	(16)	Bank of America, N.A. Aa1/A+/AA
Rate Lock - South 11th Street		3,125	9/1/2026	11/1/2056	3.7820%	100% SOFR	93	(14)	Bank of America, N.A. Aa1/A+/AA
Rate Lock - Place at Manalapan		8,790	1/1/2027	5/1/2059	3.6450%	100% SOFR	393	(41)	Wells Fargo, N.A. Aa1/A+/AA-
Rate Lock - Heritage Village at Wall		4,980	1/1/2027	5/1/2059	3.8220%	100% SOFR	111	(22)	Wells Fargo, N.A. Aa1/A+/AA-
Total	<u>\$ 91,285</u>	<u>\$ 113,210</u>					<u>\$ 9,952</u>	<u>\$ (11,886)</u>	
							1, 2	1, 2	

MRB = Multi-Family Revenue Bonds

Σ 1 = Derivative instrument (1,934)
Σ 2 = Accumulated decrease in fair value of hedging derivative (1,934)
Note: All LIBOR Swaps are using Fallback Protocols

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 17 DERIVATIVE INSTRUMENTS (CONTINUED)

Credit Risk

The aggregate notional outstanding amount of hedging derivative instrument positions at December 31, 2024, was \$113,210. This portfolio of derivative instruments is used to hedge \$91,285 of the Agency's total variable rate debt of \$291,285 as of December 31, 2024. The MFRB 2024 Series D bond of \$200,000 is an unhedged variable rate bond issuance.

The swap agreements contain varying collateral agreements with the counterparties. At any point in time in which the outstanding swaps have positive fair values, each swap counterparty is required to post collateral to a third party when their credit rating, as determined by the specified nationally recognized credit rating agencies, falls below a trigger level as defined in the swap agreements. This protects the agency by mitigating the credit risk and, therefore, termination risk, inherent in the swap. Collateral on all swaps is to be in the form of U.S. government securities held by a third-party custodian.

Basis Risk

Basis risk exists to the extent the Agency's variable-rate bond coupon payments do not exactly equal the index on the swap. The Agency's tax-exempt bonds are hedged with tax-exempt SIFMA based swaps and percentage of LIBOR swaps. The Agency's taxable bonds are hedged with taxable, LIBOR-based swaps. In this way, basis risk should be minimized.

Interest Rate Risk

The Agency's interest rate swaps serve to guard against a rise in variable interest rates associated with its outstanding variable rate bonds. In addition, certain bond proceeds are invested in other variable rate investment obligations in order to further mitigate interest rate risk on the variable rate bonds.

Termination Risk

The Agency retains the right to terminate any swap agreement at the market value prior to maturity, and the Agency was granted the right to cancel certain agreements, in whole or in part, at Par. The Agency has termination risk under the contract particularly if an Additional Termination Event (ATE) as defined in the swap documents were to occur. An ATE occurs if either the credit rating of the bonds associated with a specific swap, or the credit rating of the swap counterparty falls below a threshold defined in each swap agreement. The Agency has purchased termination payment insurance on certain swap contracts, which acts as a buffer against a portion of potential termination payments if an ATE was to occur. As long as the swap insurer maintains at least a minimal rating as defined in the swap documents, the insurance policy will allow the Agency to avoid termination due to a decline in the credit rating of the agency bonds. If at the time of termination the swap has a negative fair value, the Agency would be liable to the counterparty for a payment equal to the swap's fair value.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
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NOTE 18 INTERFUND ALLOCATION AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund services are provided or reimbursement occurs, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are normally made from the General Fund to the Housing Components to assist in funding bond issuances and cover related administrative expenses.

Interfund Receivable:	
General Fund	<u>\$ 2,142</u>
Interfund Payable:	
Multi-Family Housing Component	<u>\$ 2,142</u>
Transfers:	
General Fund	\$ (15,537)
Single Family Housing Component	9,500
Multi-Family Housing Component	<u>6,037</u>
Total	<u>\$ -</u>

NOTE 19 COMMITMENTS AND CONTINGENCIES

On March 15, 1994, the Agency entered into an Advances, Collateral Pledge, and Security Agreement (the Agreement) with the Federal Home Loan Bank of New York. As of December 31, 2024, the line of credit had \$4,544 aggregate amount outstanding which was comprised of three (3) separate fixed rate, amortizing advances. Repayments on the advances vary with maturity dates in 2038 and 2039, payable monthly at rates ranging from 5.08% to 6.57%. The Agency has pledged mortgages receivable totaling \$946 and \$3,737 of cash collateral securing this line of credit.

The Agency is a defendant in various legal actions arising in the ordinary course of business. The Agency is represented in these actions by the Attorney General of the State of New Jersey, acting as general counsel to the Agency, and by counsel to the Agency's various insurers. In the opinion of management and legal counsel, the ultimate disposition of these legal actions will not have a material adverse effect on the Agency's financial position.

The Agency participates in the Government National Mortgage Association (Ginnie Mae) Mortgage-Backed Securities (MBS) Programs. Through the MBS programs, Ginnie Mae guarantees securities that are issued by the Agency and backed by pools of mortgage loans. If a borrower fails to make a timely payment on a mortgage loan, the Agency must use its own funds to ensure that the security holders receive timely payment.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 19 COMMITMENTS AND CONTINGENCIES (CONTINUED)

All loans pooled under the Ginnie Mae MBS program are either insured by the Federal Housing Authority or United States Department of Agriculture Rural Development, or are guaranteed by the Veterans Administration. The Agency assesses the overall risk of loss on loans that it may be required to repurchase and set aside \$525 in their budget for potential payments due under this program.

NOTE 20 SUBSEQUENT EVENTS

In June 2025, the New Jersey Department of Community Affairs (DCA) and the Agency entered into a MOU to transfer \$27 million of funds from DCA to the Agency. These monies will fund the Multifamily Rental Production Loan Fund administered by the Agency,

In July 2025, the Agency issued \$340,055 of tax-exempt Single Family Housing Revenue Bonds (SFHRB) 2025 Series M and \$30,000 of taxable SFHRB 2025 Series N. This bond issue was comprised entirely of new money proceeds and was self-designated as Social Bonds. The bonds have interest rates ranging from 3.2% to 6.5% with a final maturity date of April 1, 2056.

The following ratings actions have occurred as of August 7, 2025:

- In June 2025 – Standard & Poor’s Global Ratings (S&P) affirmed its AA rating (stable outlook) on the Agency’s Single Family Housing Revenue Bonds (SFHRB) Resolution.
- In June 2025 – Moody’s Ratings (Moody’s) maintained its Aa2 rating (stable outlook) on the Agency’s Single Family Housing Revenue Bonds (SFHRB) Resolution.
- In July 2025 – Standard & Poor’s Global Ratings (S&P) affirmed its AA- rating (stable outlook) on the Agency’s Multifamily Housing Revenue Bonds (MFRB) Resolution.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
DECEMBER 31, 2024
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's Proportion of Net Pension Liability	0.2576%	0.2741%	0.1846%	0.2686%	0.2702%	0.2786%	0.2720%	0.2841%	0.2949%	0.2783%
Agency's Proportionate Share of Net Pension Liability	\$ 35,295	\$ 40,032	\$ 41,334	\$ 32,158	\$ 44,414	\$ 50,549	\$ 53,554	\$ 66,132	\$ 87,342	\$ 62,473
Agency's Covered Payroll	\$ 22,979	\$ 20,115	\$ 20,049	\$ 20,585	\$ 19,754	\$ 20,212	\$ 20,815	\$ 19,000	\$ 18,509	\$ 21,083
Agency's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	154%	199%	206%	156%	225%	250%	257%	348%	472%	296%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.22%	65.23%	62.91%	70.33%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF AGENCY'S PENSION CONTRIBUTIONS
DECEMBER 31, 2024
(IN THOUSANDS)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial Determined Contributions	\$ 3,534	\$ 3,694	\$ 3,454	\$ 3,179	\$ 2,979	\$ 2,729	\$ 2,705	\$ 2,632	\$ 2,393	\$ 2,098
Contributions in Relation to the Actuarial Determined Contribution	3,534	3,694	3,454	3,179	2,979	2,729	2,705	2,632	2,393	2,098
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's Covered Payroll	\$ 22,979	\$ 20,115	\$ 20,049	\$ 20,585	\$ 19,754	\$ 20,212	\$ 20,815	\$ 19,000	\$ 18,509	\$ 21,083
Contributions as a Percentage of Covered Payroll	15.38%	18.36%	17.23%	15.44%	15.08%	13.50%	13.00%	13.85%	12.93%	9.95%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution amounts were calculated as of July 1, 2023.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, open
Remaining Amortization Period	30
Asset Valuation Method	Five-year, smoothing difference between market value and expected actuarial value
Inflation	2.75%
Salary Increases	2.75% - 6.55%
Investment Rate of Return	7.00%
Retirement Age	Mandatory retirement age 70. Voluntary retirement prior to that age.
Mortality	Society of Actuaries Scale MP-2021

Notes to Schedule:

Changes in benefit terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in assumptions:

Long-term expected rate of return 7.00% 7.00% 7.00% 7.00% 7.00% 7.00% 7.00% 7.65% 7.90% 7.90%

For 2021 through 2023, the Scale MP-2021 was used for mortality improvement. For 2022, demographic assumptions were updated to reflect the most recent experience study for the period July 1, 2018 to June 30, 2021.

For 2020, the mortality improvement scale was updated to Scale MP-2020.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 Experience Study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For healthy retirees and beneficiaries, the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF CHANGES IN AGENCY'S NET OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2024
(IN THOUSANDS)

	Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability:										
Service Cost	\$ 998	\$ 915	\$ 1,207	\$ 1,397	\$ 924	\$ 1,748	\$ 1,708	N/A	N/A	N/A
Interest on Total OPEB Liability	2,401	2,293	2,095	2,010	1,858	3,381	3,196	N/A	N/A	N/A
Changes of Benefit Terms	-	-	-	-	2,475	-	-	N/A	N/A	N/A
Difference Between Expected and Actual Experience	(34)	(1,091)	78	102	7	(935)	(138)	N/A	N/A	N/A
Changes of Assumptions	2,733	1,842	(4,203)	(1)	6,364	(29,903)	-	N/A	N/A	N/A
Benefit Payments	(2,023)	(1,926)	(1,603)	(1,274)	(1,161)	(1,155)	(1,704)	N/A	N/A	N/A
Net Change in Total OPEB Liability	4,075	2,033	(2,426)	2,234	10,467	(26,864)	3,062	N/A	N/A	N/A
Total OPEB Liability - Beginning	45,739	43,706	46,132	43,898	33,431	60,295	57,233	N/A	N/A	N/A
Total OPEB Liability - Ending (a)	49,814	45,739	43,706	46,132	43,898	33,431	60,295	N/A	N/A	N/A
Plan Fiduciary Net Position:										
Contributions - Employer	4,670	1,683	6,490	6,345	6,332	6,899	13,795	N/A	N/A	N/A
Net Investment Income	3,357	4,719	(5,401)	2,558	2,909	2,185	(610)	N/A	N/A	N/A
Benefit Payments	(2,023)	(1,926)	(1,603)	(1,274)	(1,161)	(1,155)	(1,704)	N/A	N/A	N/A
Administrative Expenses	-	-	-	-	-	-	-	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	6,004	4,476	(514)	7,629	8,080	7,929	11,481	N/A	N/A	N/A
Plan Fiduciary Net Position - Beginning	39,081	34,605	35,119	27,490	19,410	11,481	-	N/A	N/A	N/A
Plan Fiduciary Net Position - Ending (b)	45,085	39,081	34,605	35,119	27,490	19,410	11,481	N/A	N/A	N/A
Net OPEB Liability (a) - (b)	<u>\$ 4,729</u>	<u>\$ 6,658</u>	<u>\$ 9,101</u>	<u>\$ 11,013</u>	<u>\$ 16,408</u>	<u>\$ 14,021</u>	<u>\$ 48,814</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	90.51%	85.44%	79.18%	76.13%	62.62%	58.06%	19.04%	N/A	N/A	N/A
Covered Employee Payroll	\$ 24,574	\$ 21,720	\$ 20,929	\$ 20,496	\$ 21,544	\$ 20,240	\$ 18,991	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.24%	30.65%	43.49%	53.73%	76.16%	69.27%	257.04%	N/A	N/A	N/A

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions: Healthcare trend for calendar year 2024 was updated to reflect actual 2025 premiums of the New Jersey State Health Benefits Program.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF AGENCY'S OPEB CONTRIBUTIONS
DECEMBER 31, 2024
(IN THOUSANDS)

	Last 10 Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,373	\$ 2,626	\$ 2,888	\$ 3,775	\$ 2,835	\$ 4,967	\$ 5,441	N/A	N/A	N/A
Contribution in Relation to the Actuarially Determined Contribution	4,670	1,683	6,490	6,344	6,332	6,899	13,795	N/A	N/A	N/A
Contribution Deficiency (Excess)	<u>\$ (2,297)</u>	<u>\$ 943</u>	<u>\$ (3,602)</u>	<u>\$ (2,569)</u>	<u>\$ (3,497)</u>	<u>\$ (1,932)</u>	<u>\$ (8,354)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered Employee Payroll	\$ 24,574	\$ 21,720	\$ 20,929	\$ 20,496	\$ 21,544	\$ 20,240	\$ 18,991	N/A	N/A	N/A
Contributions as a Percentage of Covered Employee Payroll	19.00%	7.75%	31.01%	30.95%	29.39%	34.09%	72.64%	N/A	N/A	N/A

Notes to Schedule:

Valuation Date: January 1, 2023

Actuarially determined contribution rates are calculated as of January 1, a year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine the

Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level Dollar Amortization
Amortization Period	6 years closed for the 2024 fiscal year.
Asset Valuation Method	Market Value
Inflation	2.30%
Healthcare Cost Trend Rate	18.00% (Pre-Medicare), 13.00% (Medicare), and 6.80% (Part B), decreasing to an ultimate rate of 3.60% at 2090+
Salary Increases	3.50%, per annum, compounded annually
Investment Rate of Return	5.25%, per annum, compounded annually
Retirement Age	Expected retirements of employees with at least 25 years of service are assumed at a rate of 3.0% for employees aged under 49, increasing to a rate of 100% for employees aged 75. Expected retirements of employees with at least 26+ years of service are assumed at a rate of 2.25% for employees aged under 49, increasing to a rate of 100% for employees aged 75.
Mortality	PUBGH-2010 Mortality Tables, head count weighted, projected forward using Mortality Improvement Scale MP-2021 from 2010 base year on a generational basis to reflect mortality improvements both before and after the valuation date (based on most recent tables published by the Society of Actuaries' Retirement Plans Experience Committee as of the measurement date). Employee rates before benefit commencement, healthy annuitant rates after benefit commencement, and disabled annuitant rates upon disability are used.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF NET POSITION
SINGLE FAMILY HOUSING PROGRAM
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Housing Revenue Bonds	2023
ASSETS		
Current Assets:		
Restricted Cash and Cash Equivalents	\$ 240,746	\$ 276,579
Accrued Interest Receivable on Investments	80	80
Mortgage Loans Receivable, Net	35,099	32,543
Accrued Interest Receivable on Mortgages	6,781	4,942
Due from Loan Servicers	-	6,765
Other Current Assets (Foreclosures)	780	1,052
Total Current Assets	<u>283,486</u>	<u>321,961</u>
Noncurrent Assets:		
Restricted Investments - Noncurrent	2,844	2,975
Mortgage Loans Receivable, Net	1,384,542	1,192,990
Supplemental Mortgages and Other Loans, Net	87	144
Real Estate Owned, Net	1,401	1,631
Total Noncurrent Assets	<u>1,388,874</u>	<u>1,197,740</u>
Total Assets	1,672,360	1,519,701
LIABILITIES		
Current Liabilities:		
Bonds and Obligations, Net	47,395	42,300
Line of Credit	-	19,775
Accrued Interest Payable on Bonds and Obligations	13,622	11,486
Due to Loan Servicers	239	-
Other Current Liabilities	82	-
Total Current Liabilities	<u>61,338</u>	<u>73,561</u>
Noncurrent Liabilities:		
Bonds and Obligations, Net	1,372,844	1,231,884
Other Noncurrent Liabilities (Rebate Liability)	1,495	776
Total Noncurrent Liabilities	<u>1,374,339</u>	<u>1,232,660</u>
Total Liabilities	<u>1,435,677</u>	<u>1,306,221</u>
NET POSITION		
Restricted Under Bond and Obligation Resolutions	236,683	213,480
Total Net Position	<u>\$ 236,683</u>	<u>\$ 213,480</u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
SINGLE FAMILY HOUSING PROGRAM
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	Housing Revenue Bonds	2023
OPERATING REVENUES		
Interest Income on Mortgage Loans	\$ 63,681	\$ 48,022
Recovery of Bad Debt	3,184	7,696
Total Operating Revenues	<u>66,865</u>	<u>55,718</u>
OPERATING EXPENSES		
Interest and Amortization of Bond Premium/Discounts	49,368	41,204
Servicing Fees and Other	4,931	3,387
Professional Services and Financing Costs	8,817	8,996
Loss on Sale of Real Estate Owned	417	882
Provision for Loan Losses	1,098	1,515
Total Operating Expenses	<u>64,631</u>	<u>55,984</u>
OPERATING INCOME (LOSS)	2,234	(266)
NONOPERATING REVENUES		
Interest on Investments	11,600	8,919
Investment Premium	-	2,040
Unrealized Gain/(Loss) on Investments	(131)	(18)
Total Nonoperating Revenues (Expenses)	<u>11,469</u>	<u>10,941</u>
INCOME BEFORE TRANSFERS	13,703	10,675
TRANSFERS FROM OTHER RESOLUTIONS	<u>9,500</u>	<u>6,444</u>
INCREASE IN NET POSITION	23,203	17,119
Net Position - Beginning of Year	<u>213,480</u>	<u>196,361</u>
NET POSITION - END OF YEAR	<u><u>\$ 236,683</u></u>	<u><u>\$ 213,480</u></u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF NET POSITION
MULTI-FAMILY HOUSING PROGRAM
DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	1991-I	Revenue 2005	Total	2023 Total
ASSETS				
Current Assets				
Restricted Cash and Cash Equivalents	\$ 2	\$ 647,713	\$ 647,715	\$ 369,502
Accrued Interest Receivable on Investments	31	175	206	668
Mortgage Loans Receivable, Net	7,838	66,457	74,295	53,988
Supplemental Mortgages and Other Loans, Net	-	-	-	-
Accrued Interest Receivable on Mortgages	218	6,938	7,156	5,975
Other Current Assets (Due from Bank)	358	-	358	358
Total Current Assets	8,447	721,283	729,730	430,491
Noncurrent Assets				
Restricted Investments - Noncurrent	4,002	230,560	234,562	193,272
Mortgage Loans Receivable, Net	29,554	684,882	714,436	716,192
Supplemental Mortgages and Other Loans, Net	-	-	-	-
Total Noncurrent Assets	33,556	915,442	948,998	909,464
Total Assets	42,003	1,636,725	1,678,728	1,339,955
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of Hedging				
Derivatives	-	2,500	2,500	6,542
LIABILITIES				
Current Liabilities				
Bonds and Obligations, Net	7,685	40,015	47,700	69,200
Accrued Interest Payable on Bonds and Obligations	519	5,248	5,767	7,369
Interfund Allocation	135	2,007	2,142	2,765
Total Current Liabilities	8,339	47,270	55,609	79,334
Noncurrent Liabilities				
Bonds and Obligations, Net	36,820	1,197,744	1,234,564	906,462
Minimum Escrow Requirement	-	5,828	5,828	5,580
Funds Held in Trust for Mortgagor	-	3,091	3,091	3,091
Other Noncurrent Liabilities and Rebate Liability	-	2,622	2,622	553
Derivative Instruments	-	2,500	2,500	6,542
Total Noncurrent Liabilities	36,820	1,211,785	1,248,605	922,228
Total Liabilities	45,159	1,259,055	1,304,214	1,001,562
NET POSITION (DEFICIT)				
Unrestricted	(7,160)	-	(7,160)	(6,729)
Restricted Under Bond and Obligation Resolutions	4,004	380,170	384,174	351,664
Total Net Position (Deficit)	<u>\$ (3,156)</u>	<u>\$ 380,170</u>	<u>\$ 377,014</u>	<u>\$ 344,935</u>

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
MULTI-FAMILY HOUSING PROGRAM
YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2023)
(IN THOUSANDS)

	1991-I	Revenue 2005	Total	2023 Total
OPERATING REVENUES				
Interest Income on Mortgage Loans	\$ 2,853	\$ 36,762	\$ 39,615	\$ 38,882
Fees and Charges	-	1,111	1,111	-
Recovery of Bad Debt	-	1,649	1,649	1,147
Other Income, Net (Negative Arbitrage Income)	-	83	83	36
Total Operating Revenues	2,853	39,605	42,458	40,065
OPERATING EXPENSES				
Interest and Amortization of Bond Premium/Discounts	3,516	34,531	38,047	40,171
Insurance Costs	-	-	-	4
Servicing Fees and Other	270	-	270	274
Professional Services and Financing Costs	4	2,097	2,101	1,090
General and Administrative Expenses	3	-	3	-
Provision for Loan Losses	-	3,281	3,281	396
Total Operating Expenses	3,793	39,909	43,702	41,935
OPERATING INCOME (LOSS)	(940)	(304)	(1,244)	(1,870)
NONOPERATING REVENUES (EXPENSES)				
Interest on Investments	207	27,079	27,286	17,125
INCOME (LOSS) BEFORE TRANSFERS	(733)	26,775	26,042	15,255
TRANSFERS FROM (TO) OTHER FUNDS	270	5,767	6,037	(11,282)
INCREASE (DECREASE) IN NET POSITION	(463)	32,542	32,079	3,973
Net Position (Deficit) - Beginning of Year	(2,693)	347,628	344,935	340,962
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (3,156)</u>	<u>\$ 380,170</u>	<u>\$ 377,014</u>	<u>\$ 344,935</u>



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