



November 6, 2025

Mr. Brandon Metzler  
Clerk of the Legislature  
State Capitol Room 2018  
Lincoln, NE 68509

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**We make The Good Life better.**

Subject: Nebraska Investment Finance Authority Annual Report

Dear Mr. Metzler,

In accordance with Neb. Rev. Stat. §58-270, the Nebraska Investment Finance Authority (NIFA) is pleased to present our 2025 Annual Report, highlighting the progress and impact of our efforts to strengthen Nebraska communities through affordable housing and agribusiness development.

This year's report showcases continued momentum in programs that make a tangible difference for Nebraskans — from homeownership and rental housing initiatives to beginning farmer and rancher loans that help sustain the agricultural backbone of our state. Each program reflects NIFA's commitment to expanding opportunity, supporting local economies, and improving the quality of life across both urban and rural communities.

Enclosed, you'll also find annual financial statements for the fiscal year ending June 30, 2025. These demonstrate NIFA's continued fiscal responsibility and stewardship of the resources entrusted to us.

We appreciate your ongoing partnership and support as we work to ensure that every Nebraskan has the opportunity to live, work, and thrive in a strong and vibrant community.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Harner", is written over a light blue horizontal line.

Shannon Harner  
Executive Director  
Nebraska Investment Finance Authority



# From Vision to Action

IMPACT REPORT

Fiscal Year 2025

July 1, 2024 - June 30, 2025



## Growing Nebraska communities through affordable housing and agribusiness.

*NIFA leverages its resources, data, knowledge and technology, with effective statewide partnerships and collaboration, to promote vibrant Nebraska communities through affordable housing solutions and agribusiness.*

COMMITMENT • INTEGRITY • COLLABORATION • STEWARDSHIP • INNOVATION

# Vision Realized Through Collaboration

At NIFA, we believe that bold vision leads to lasting impact only when matched with meaningful action. That is why this year's annual report theme, *From Vision to Action*, feels especially fitting. It reflects not only our mission, but also the spirit of our work across the state—turning ideas into outcomes, investments into opportunities, and partnerships into progress.

At the heart of this transformation is collaboration. Across every department within NIFA, our staff share a common purpose: to provide every Nebraskan with access to safe, affordable housing. We know we cannot do this alone.

This report highlights how collaboration moves us forward, not only internally but in partnership with the developers, property managers, lenders, housing advocates, local leaders, real estate professionals, and service providers who make housing possible. Most importantly, it honors families and individuals whose lives are transformed when affordable housing becomes a foundation for something more: stability, growth, and hope for the future.

One example is our CROWN (Credits to Own) program, featured in this year's report. What began as an internal vision—connecting NIFA's Low-Income Housing Tax Credit (LIHTC) program with our homeownership resources—grew into an award-winning, rent-to-own model that supports families in moving from rental housing into homeownership.

This didn't happen by accident. It happened because our LIHTC Allocation team works closely with developers to fund CROWN communities, our Compliance team ensures long-term stability and support for tenants, and our Homeownership team provides the tools and guidance residents need to become homeowners.

Together, they turned vision into action—and we see families who thrive as a result.

Of course, CROWN is just one example of the many ways NIFA is working to strengthen Nebraska's housing ecosystem. Whether it's expanding access to down payment assistance, funding innovative community development projects, investing in agricultural bonds, or advancing workforce housing solutions, our mission is always people-centered and partnership-driven.

As we look ahead, we remain focused on the collaborative, statewide effort needed to address Nebraska's evolving housing challenges. We're committed to opportunity, innovation, and the long-term sustainability of the communities we serve.



When we work together—when we share the same vision and act as one—Nebraskans become stronger, more connected, and more resilient, which benefits everyone. Collaboration, in conjunction with concerted effort, is what moves us from Vision to Action!

With gratitude for your continued partnership,

**Shannon R. Harner**  
Executive Director, NIFA



## ***Strategic Housing Framework Implementation***

In 2022, NIFA helped launch the Nebraska Strategic Housing Council, a coalition of leaders focused on advancing affordable housing as a foundation for community and economic growth. Guided by the 2022 Statewide Housing Needs Assessment, the Council prioritized two goals: increase housing supply and reduce households that are paying more than 30% of their gross income on housing.

The Nebraska Strategic Housing Framework outlines this work through four pillars, listed below. Now in the implementation phase, communities statewide are turning vision into action through partnerships, technical support, and shared learning.

As Executive Director Shannon Harner shared, “We’re planting seeds today that will grow capacity and interest in attainable and affordable housing across Nebraska.”

In 2023, the Council began implementation. Below are updates from each Pillar Workgroup.

### **Pillar 1: Financial support and incentives for development**

During the very busy 2025 legislative session, Pillar 1 successfully advocated for affordable housing, by focusing on educating newly elected Senators and protecting housing investment. A key achievement was the passage of LB182, which expanded the Affordable Housing Tax Credit to include credit certification and is expected to generate an estimated \$10 million in additional revenue by increasing demand and credit pricing without additional state cost.

Pillar 1 collaborated with the Legislative Research Office on two housing reports: ([The Good Life at the Wrong Price, July 2024](#), and [Framing the Future: Altering the Affordable Housing Blueprint, September 2024](#)). Driven by a request from Governor Pillen’s administration, Pillar 1 began compiling case studies on employer-led housing initiatives.

### **Pillar 2: Education and policy**

Pillar 2 published the [Toolkit to Increase Housing Supply](#), a diverse housing toolbox that communities can utilize to create housing in Nebraska. The committee also developed a framework for the new Communities for Housing (C4H) program, which will replace the NIFA Housing Study Grant and Outreach Partnership Programs. The completed framework was handed off in February to NIFA for full development and launch.

With the foundational work for C4H complete, Pillar 2 has shifted its focus to its next priority: engaging with local and state leaders on the importance of diverse housing options. This new phase aims to foster vibrant, livable communities by encouraging broader understanding and support for policies and strategies that expand housing choices across Nebraska.

### **Pillar 3: Safety net and special populations**

In collaboration with BeauxSimone Consulting (BSC), Pillar 3 launched its first cohort of the Supportive Housing Toolkit initiative. Seven communities represented by eight agencies from across the state participated in four two-day sessions designed to cover all facets of a housing development plan, culminating in presentations at the NIFA Innovation Expo. This first cohort laid the groundwork for an estimated 250 units of supportive housing, pending federal funding.

Building on that success, Pillar 3 used the BSC framework as a guide to create a Nebraska-specific program incorporating group exercises, peer learning, expert panels, and hands-on





technical assistance. The second cohort will refine and expand upon the lessons from the first, aiming to further scale supportive housing options across Nebraska.

**Pillar 4: Workforce and community capacity**

Following an extensive research process, Pillar 4 partnered with Alley Poyner to complete initial planning and design for a statewide, community centered modular housing ordering facility, selecting six communities for case studies, and developing design standards. This program aims to speed up construction, reduce costs, and address workforce shortages, especially in rural areas of Nebraska.

Pillar 4 continues to inventory a wide range of workforce development programs, including high school and college-level initiatives as well as developer-led academies, all focused on attracting more individuals into the construction trades. The group is exploring how best to support and expand these efforts to ensure a skilled labor force capable of meeting Nebraska’s housing needs. Pillar 4’s goal is to identify scalable strategies that align with statewide housing priorities and long-term workforce sustainability.



**NEBRASKA  
STRATEGIC  
HOUSING  
COUNCIL**

**Vision:** All Nebraskans have safe, affordable, quality housing choices to rent or own. As a result, affordable housing is the driver of community wellbeing and economic opportunity.

**Shared Priorities**

To make immediate progress in addressing the two primary housing problems, the Council identified two Shared Priorities to focus on over five years.

1. By 2028, reduce the number of households that are burdened by housing costs by 44,000, decreasing the burden of low- to middle-income households from 44 percent to 33 percent or less.
2. By 2028, develop and rehabilitate 35,000 affordable and attainable low- to middle-income rental and ownership housing units, thus reducing the gap in the number of needed units by about one-third. This includes rehabilitating or infilling 3,000 unsafe or dilapidated properties and providing 10,000 units and any necessary supports for households making under \$20,000.

**Learn more** about the Nebraska Strategic Housing Council and Nebraska’s Strategic Housing Framework at [nifa.org/housing-framework](https://nifa.org/housing-framework).



## Empowering Growth with Data

Strong communities are built on shared understanding—and data is one of our most powerful tools for progress. Our **Policy & Research team** works alongside community leaders, housing partners, and policymakers to turn information into action.

### Profile of Nebraska

The Profile of Nebraska dashboard offers over 150 indicators from 27 sources, making it easier to spot trends, make informed decisions, and drive positive change across the state.

### FY25 IMPACT

**128** custom reports generated through partner collaboration:

60 on housing needs and trends

32 on population and demographic shifts

24 on economic factors

12 on quality of life

These reports help communities plan for today—and prepare for tomorrow.

Need custom insights for your Nebraska community or organization? Reach out to our team at [research@nifa.org](mailto:research@nifa.org).

### FindHelp

[Nebraska.findhelp.com](https://nebraska.findhelp.com) continues to be a vital tool for Nebraskans seeking support—from housing and food assistance to job training and healthcare. NIFA ensures all Low-Income Housing Tax Credit (LIHTC) properties are listed on the site, making it easier for people to find affordable housing where they live.



This growth reflects the platform's increasing role in helping Nebraskans access essential support.



*Pictured Above: Founders Row West in the Highlander neighborhood of North Omaha's Historic District. Developed by Seventy Five North Revitalization Corp and Brinshore Development.*



## **Affordable Rental Housing**

**NIFA's Multifamily team** works to expand and preserve affordable rental housing throughout Nebraska. Through programs like the Low-Income Housing Tax Credit (LIHTC) and the Nebraska Affordable Housing Tax Credit (AHTC), NIFA supports developers and property managers in creating and managing housing options for low-income families, seniors, and special needs populations. The CRANE (Collaborative Resource Allocation for Nebraska) program is an option for high-need projects serving targeted populations.

Once affordable rental developments are completed, NIFA's Compliance team monitors the properties for regulatory and tenant eligibility requirements, ensuring residents have a safe place to live and owners continue to provide long-term affordability.

Since inception, NIFA has allocated \$2 billion of federal LIHTC and \$385.4 million of Nebraska AHTC.

### **FY25 IMPACT**

**\$213.8M** awarded in federal LIHTC and Nebraska's AHTC for **1,237 units**

**\$372.2M** stimulated by production of affordable units

**17** affordable rental developments awarded, including:

155 special needs units

185 elderly units

897 family units

*Note: Some units count in more than one category.*

**391** developments (13,798 units) under compliance

**222** LIHTC property managers attended NIFA's annual compliance training at Innovation Expo





## Affordable Homeownership

**NIFA's Homeownership team** is committed to helping Nebraskans access affordable home financing, especially first-time buyers who may face barriers to ownership. The team administers a range of programs that provide low-interest mortgages, down payment and closing cost assistance, and homebuyer education in partnership with lenders, real estate agents, and housing counselors across the state.

Since inception, NIFA has helped **104,501** Nebraska households achieve homeownership, financing nearly **\$9 billion** and providing over **\$128 million** in down payment assistance.

### FY25 IMPACT

**2,976** first mortgage loans (\$648M), including:

2,319 First Home loans (\$480M) ●

657 Welcome Home loans (\$168M) ●

- including 150 repeat NIFA buyers ●

\$217,773 average first mortgage

**1,756** second mortgage loans (\$18.2M), including:

1,238 Homebuyer Assistance (\$12M) ●

518 Welcome Home Assistance (\$6.2M) ●

\$10,409 average second mortgage

**302** loans to households at or below 50% AMI

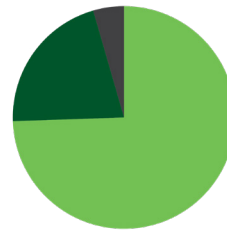
**76** counties served

**889** professionals trained, including:

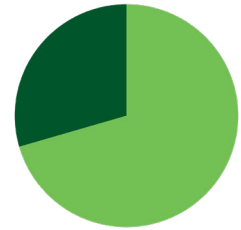
742 participating lenders

147 real estate agents

### First Mortgage Loans



### Second Mortgage Loans



### Top 5 Participating Lenders

#1 CharterWest Bank

#2 FNBO

#3 Fairway Independent Mortgage Co.

#4 Pinnacle Bank

#5 Lincoln Federal Savings Bank



Pictured Above: The Lincoln, Nebraska skyline, featuring the iconic State Capitol building and the bustling downtown area at sunset. This vibrant scene captures the heart of Nebraska's capital city.



# What is the CROWN Program?

The Credits to Own (CROWN) program is a rent-to-own program within the Low-Income Housing Tax Credit (LIHTC) program that helps families work toward the goal of owning a home while being a renter.

Through CROWN, tenants rent a home at an affordable rate while building a path to homeownership over time. The program is designed to support long-term stability and success for lower-income households.

CROWN is also a powerful example of collaboration in action. Within NIFA, the program brings together the LIHTC Allocation, LIHTC Compliance, and Homeownership departments to support renters at every stage of the journey—with the goal of eventual homeownership. Beyond NIFA, CROWN thrives through the partnership of developers, property managers, and tenants—all working together to create long-term housing solutions.

Here's how it works:

- At move-in, tenants sign a Participation Agreement that explains how the program works and what to expect.
- While renting, families receive support through homeownership, budgeting, and home maintenance classes—offered at least twice a year—to prepare them for owning a home.
- A portion of the rent is set aside (escrowed) to help with future purchase costs like a down payment.
- Property owners track progress and submit an annual report on each household's participation.
- After the home is a rental unit for 15 years, current tenants who qualify are given the opportunity to purchase the home they've been renting.

The CROWN program is more than just affordable housing—it's an investment in people and partnerships. By providing affordable housing throughout the entire journey—from renting to eventual homeownership—it helps renters become homeowners and strengthens households, neighborhoods, and communities across Nebraska.



A Journey to Homeownership Through the CROWN Program:

# From Stable to Flourishing



*Pictured above: Homes in Grand Island that are part of the CROWN program.*

Affordable housing creates more than shelter—it builds opportunity, stability, and hope for the future. For one Grand Island resident, the journey from Section 8 housing to homeownership was made possible through the CROWN program, supported by NIFA through its LIHTC program. Her story reflects the powerful ripple effect of access to affordable, stable housing—how it transforms not only finances, but families and entire communities.

## **From Stable to Flourishing: A Mother's Journey to Homeownership**

Eleven years ago, a single mother on Section 8 was navigating the uncertainty of apartment living when her complex ended its month-to-month lease option. Not wanting to lock into another lease, Peachis Amadou made a hopeful call to check her place on the CROWN housing waitlist—and was told there was a home available for her.

*"I was so thankful. I had never lived in my own home as an adult. This became the place where my daughter grew up, and now it's where I'm raising my son."*

Today, Peachis is married and raising a two-year-old son alongside her college-aged daughter. Their family dog, Milo, rounds out the household. Her journey reflects what stable, income-based housing can do for a family—especially when paired with the opportunity to one day own that home.

With the help of her Section 8 voucher, Peachis's rent remained affordable and predictable, increasing only about \$25 a year on average. That financial stability allowed her to build a small emergency fund, support her daughter's college travel needs, and even afford spur-of-the-moment family experiences that used to feel out of reach.

"When my son was born five weeks early, it was such a relief to know that, despite the stress of labor and delivery, rent was not something I had to worry about. That kind of peace is hard to describe."





*Pictured left: Peachis sits on the porch swing in front of her CROWN home.*



Her home became more than a roof over her head—it was the hub for lasting friendships and community connections. Located close to St. Leo's Catholic Church, where she works as an Outreach Coordinator, the neighborhood gave her proximity, peace, and purpose. She chats regularly with her 95-year-old neighbor who shares tomatoes from his garden planters. Her mother lives in the same senior housing development, just behind her home.

"I know making long lasting friendships with neighbors isn't that common these days. I'm blessed to have these friendships, especially knowing that we all have been given such an amazing housing opportunity and we have that in common."

One of her most treasured memories is hosting her extended family for Easter for the first time in the home—welcoming 75 people for a celebration that has since outgrown the house, but never the spirit of that moment. Her favorite place remains the front porch, with a swing gifted by the Mesner team, who developed the homes. "I sit out there and count my blessings. I've always wanted a porch swing like this."

For the first few years, Peachis didn't even realize that homeownership would one day be within reach. But when she learned more about the CROWN program's rent-to-own model, her outlook shifted.

**"I didn't realize at first that I was building equity to buy the home. They set aside \$50 a month from my rent for future ownership. It didn't feel like a sacrifice—it was built in, and that made saving easy."**

Now, she's preparing to purchase the home that has given her family so much. "It's our forever home. My mom moved several times when I was a child, and the same was true for me as an adult. It's such a relief to know I won't have to do that anymore."

With that sense of permanence has come a new perspective. Part of the benefit of living in a CROWN home is learning how to be a homeowner. The property manager offered insight on things like remembering to water and mow the lawn, which led to new skills.

"In the last six months, instead of calling the maintenance line, we have been using YouTube and learning to fix things around the house since we will be owning it soon," she said. "We're getting ready to take care of our home in a whole new way."

As someone who works directly with families in need, she knows how rare this kind of opportunity is—and how necessary it is to expand. "There are people who make just a little too much to qualify for support, but not enough to afford rent. These are the people that programs like CROWN can help. We need more houses, and I wish everyone who qualifies could have a home like I do."

When asked to describe her home in three words, she smiles:

**"Safe. Affordable. Peaceful."**



## ***Growing Awareness and Engagement***

**At NIFA**, we know that lasting impact starts with strong community connections. Our **Community Collaboration team** leads the charge by raising awareness, building partnerships, and helping communities understand and access the tools, resources, and support NIFA provides to grow Nebraska through affordable housing and agribusiness.

They provide education, foster collaboration, and increase awareness of the many programs, tools, and services NIFA offers—ensuring communities across the state are informed, empowered, and equipped to take action.

### **Native American Community Impact Grant**

Since its launch in 2021, this grant program has helped tribal governments and organizations expand their ability to address housing, health, and community needs. A total of **\$210,000** has been awarded in three-year grants since inception.

#### **FY25 IMPACT**

**\$30,000** *for 1 Native American Community Impact Grant*

### **Outreach Partnership Grant**

Designed to strengthen nonprofit capacity for affordable housing development, this grant has supported **32** partners to date.

#### **FY25 IMPACT**

**\$60,000** *for 2 Outreach Partnership Grants*

### **Teaching Nebraska Trades (TNT)**

TNT increases the number of construction trade professionals in Nebraska, expanding the state's housing development capacity. This five-year pilot program was designed in partnership with the Nebraska Community Foundation, several community colleges and The Builder Foundation.

#### **FY25 IMPACT**

**24** *high schools and 3 community colleges participating in TNT*

**17%** *increase in students applying for trade scholarships*





*Pictured left: Students learn construction skills as part of the Teach Nebraska Trades program.*

## Workforce Housing

The Rural Workforce Housing Fund was created by LB518 under the Rural Workforce Housing Act in 2017. NIFA provided matching funds for the first and second rounds of funding for nonprofit housing development organizations who also received grant funds from the Nebraska Department of Economic Development. Rural Workforce Housing Funds are used by recipient organizations to invest in workforce housing in the state's rural communities with a population of less than 100,000.

The Middle Income Workforce Housing Fund was established in 2020 under LB866, the Middle Income Workforce Housing Investment Act. NIFA provided matching funds for the first round of funding for nonprofit housing development organizations to invest in workforce housing in lower-income areas in Douglas, Lancaster, and Sarpy counties.

### FY25 IMPACT

**\$349,347** Rural Workforce Housing NIFA match funds invested

**8** Rural Workforce Housing units created that meet NIFA's moderate income requirements

**\$1.2M** Urban Workforce Housing NIFA match funds invested

**22** Urban Workforce Housing units created that meet NIFA's moderate income requirements



## Growing Nebraska Agriculture

**NIFA supports** new and beginning farmers and ranchers with low-interest rate agricultural loans that help launch or grow their operations at interest rates that are generally lower than those available in conventional farm credit markets.

Since inception, NIFA has facilitated 1,085 beginning farmer/rancher loans by issuing over \$143 million in tax-exempt financing.

### FY25 IMPACT

**\$1.2M** *in financing provided*

**317** *acres acquired using the program*

**1.46%** *average interest rate savings to beginning farmers/ranchers*

**\$42,000** *awarded to Nebraska FFA chapters and 4-H clubs*



## Emergency Rental Assistance

**In collaboration with** the Nebraska Emergency Management Agency, NIFA administered a second round of Emergency Rental Assistance (ERA2) to support renters financially impacted by the COVID-19 pandemic. Eligible Nebraska households outside of Douglas and Lancaster Counties received assistance with past-due rent and utility bills.

### FY25 IMPACT

**2,517** *applications approved*

**\$17.9M** *in assistance distributed*

**70** *Nebraska counties served*

**1,433** *applications approved for households with incomes below 50% AMI*





*Pictured above: A golden field and grain silos in rural Nebraska, capturing the state's rich agricultural landscape.*



## **Funding Growth and Development**

**NIFA Finance team** manages the agency's funding strategy through the issuance of tax-exempt and taxable bonds. These resources are used to fund affordable housing programs, agricultural programs, solid waste facilities, infrastructure investments, and rental/multifamily projects across Nebraska. By leveraging bond proceeds, the Finance team ensures NIFA can deliver long-term, cost-effective support for long-term growth to Nebraska communities.

### **FY25 IMPACT**

**\$744.4M** *issued to fund loans for low- to moderate-income homebuyers*

**\$1.2M** *issued to fund loans for beginning farmers/ranchers*

**\$54M** *issued to fund multifamily developments for low- to moderate-income rental households*

**\$6.4M** *issued for the Clean Water and Drinking Water State Revolving Fund bond program*

**\$1.15M** *issued for Habitat for Humanity Omaha mortgages*

### **OUTSTANDING BONDS**

**\$1.9B** *single-family bonds, tax-exempt*

**\$472M** *single-family bonds, taxable*

**\$23.3M** *agricultural bonds*

**\$83.4M** *multifamily bonds*

**\$30M** *solid waste disposal bonds*

To review NIFA's  
audited financial  
statements:





## Innovation Expo 2025

**NIFA's Innovation Expo** brings together thought leaders and decision-makers from across the state and nation to discuss current efforts and issues surrounding affordable housing and community development.



### FY25 IMPACT

**715** registered attendees, representing:

11 states

39 Nebraska cities

32 Nebraska counties

**67** national, regional, and local presenters

**17** sessions held

### 2025 EXPO SPONSORS

*Thank you to the generous sponsors of Innovation Expo 2025.*



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WNC & Associates

**NIFA's Innovation Expo** would not be possible without the generosity of our sponsors and exhibitors. Special thanks to:

**J.P. Morgan | Chase** for their sponsorship of the all-conference networking reception, **Kutak Rock** for their sponsorship of the Housing Champion Luncheon, and **Midwest Housing Equity Group** for their sponsorship of our Keynote Speaker, Brian Ardinger.





Recognizing the Property Manager of the Year

# Leading With Heart in Affordable Housing

For more than two decades, Kim Clark has been a steady, compassionate presence in the world of affordable housing. Starting with Blue Valley Community Action (BVCA) in 1989 as a receptionist, she returned a decade later and is now a standout property manager serving communities across Nebraska. Her work recently earned her the title of NIFA's Property Manager of the Year.

"It's a personal achievement," Kim says, "but I couldn't do this without the entire staff. It's a hard job, and this recognition highlights how important property managers are."

Kim manages properties funded by LIHTC, HOME, and USDA Rural Development programs—each requiring strong compliance. She stays up to date with every training and relies on NIFA's Compliance Manual as her guide. Yet her heart for residents goes beyond the rules: "If I believe someone qualifies, I speak up. That's how change happens."

Whether coordinating inspections after a hailstorm or helping a family maintain housing after a loved one passed away, Kim leads with empathy and problem-solving. She and her team also educate future renters by speaking in local high schools and strengthening community ties.

One of Kim's greatest joys is the CROWN program, which helps families transition from renting to owning. "You're their teacher, cheerleader, and case manager," she says. Inspired by its success, her team launched a local version of CROWN with five rehabbed homes.

Still, challenges remain. Waitlists are growing, prices are rising, and federal changes bring uncertainty. But Kim stays focused on advocacy: "Speak up about your waitlists. Know your resources. Stay informed."

To new property managers, she says: "Take the training. Ask questions. Use the manual. And don't panic—call NIFA. They'll help you through."



*Pictured above: Kelly Schultze presents Kim Clark with the Property Manager of the Year award.*





## **NIFA's Board of Directors**

NIFA's Board of Directors is appointed by the Governor of the State of Nebraska. Its members have either a statutorily specified area of expertise or hold a designated office within state government. Each of the three congressional districts is represented.



**K.C. Belitz**  
*Chair, Ex-Officio  
Member*  
NE Dept. of Economic  
Development



**Shannon R. Harner**  
*Executive Director,  
Secretary*  
NIFA



**George Achola**  
*Real Estate  
Development*  
Burlington Capital  
Real Estate, LLC



**Warren  
Arganbright**  
*Banking or  
Investment Banking*  
Arganbright  
Law Office



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*Licensed Real  
Estate Broker*  
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**Galen Frenzen**  
*Agricultural  
Production*  
Frenzen Angus &  
Polled Herefords



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Investment Council



**Sherry Vinton**  
*Ex-Officio Member*  
NE Dept. of  
Agriculture



**Colten R. Zamrzla**  
*Public at Large*  
Cornhusker Insurance  
Agency

*The NIFA Board of Directors seat for "industrial mortgage credit, commercial credit, agricultural credit or housing mortgage credit" is pending appointment.*



## Strategic Focus: Building the Future Together

At NIFA, **collaboration** isn't just a value, it's a strategy for long-term success. As we look ahead, our Executive Team is reimagining how we support Nebraska communities by transforming grant programs to better meet local needs and drive meaningful housing progress.

We're combining two stand-alone initiatives—the Housing Study Grant Program and the Outreach Partnership Program—into a new, more impactful approach: Communities for Housing (C4H). C4H is designed to meet communities where they are. It blends peer-to-peer learning, technical assistance, and a flexible pool of funding that can be used for community-identified priorities.

Rather than prescribing one-size-fits-all solutions, C4H empowers communities to define what success looks like for them—with NIFA walking alongside them every step of the way.

Through collaboration we can help more communities take tangible steps toward housing development and preservation. Our shared success will be measured not just by the number of units created—but by the strength and sustainability of the networks we build across Nebraska.

Our work is made possible thanks to our knowledgeable and dedicated staff:

**Shannon R. Harner**  
*Executive Director*

**Robin Ambroz**  
*Chief Programs Officer*

**Christie Weston**  
*Chief Operating Officer*

**David Young**  
*Chief Financial Officer*

**Kirk Benner**  
*Asset Management &  
Inspection Specialist*

**Spencer Bulling**  
*Senior Accountant*

**Tammy Burd**  
*LIHTC Assistant Compliance Manager*

**Cari Buss**  
*Homeownership  
Compliance Specialist*

**Jody Cook**  
*Director of Bond &  
Investment Management*

**Emma Craig**  
*Housing Policy & Legislation Manager*

**Ashley Dunn**  
*Administrative Support Specialist*

**Peggy Ems**  
*LIHTC Compliance Specialist*

**Elizabeth Fimbres**  
*Communications Lead*

**Stacy Fotinos**  
*Homeownership Operations Manager*

**Sheila Gans**  
*Community Projects Administrator*

**Barney Helton**  
*LIHTC Compliance &  
Inspection Specialist*

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*Bond & Investment Analyst*

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*Homeownership  
Compliance Specialist*

**Eric Matty**  
*LIHTC Compliance Specialist*

**Denise Packard**  
*Program Development &  
Administration Manager*

**Susan Pulec**  
*Data Analyst*

**Kelly Schultze**  
*LIHTC Compliance Manager*

**Pam Skinner**  
*LIHTC Assistant Allocation Manager*

**Ruth Sorensen**  
*Risk Management Associate Counsel*

**Joe Spitsen**  
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*Program Administration Specialist*



## Did you know?

One of our goals at NIFA is to support Nebraska's current and future generations of agricultural producers.

Our **Beginning Farmer and Rancher Program** helps make that possible by offering lower-interest rate financing for the purchase of land, equipment, and breeding livestock—helping new producers grow their roots in Nebraska soil.



1248 O Street, Suite 601  
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Financial Statements and Supplemental Data  
June 30, 2025 and 2024

**Nebraska Investment Finance Authority**  
With Independent Auditor's Report Thereon

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## Independent Auditor's Report

To the Board of Directors  
Nebraska Investment Finance Authority

### Report on the Audit of the Financial Statements

#### ***Qualified Opinion***

We have audited the financial statements of the business-type activities of the Nebraska Investment Finance Authority (the Authority), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

We conducted our audits 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### ***Matter Giving Rise to Qualified Opinion***

As more fully described in Note 2 to the financial statements, the Authority has reported investments in securitized mortgage loans at amortized cost and the Authority does not report commitments to purchase securitized mortgage loans at fair value. Accounting principles generally accepted in the United States of America require that securitized mortgage loans and loan commitments be reported at fair value. Additionally, interest earned on securitized mortgage loans of \$93.1 million and \$63.7 million for the years ended June 30, 2025 and 2024, respectively, has been classified as interest income from loans rather than investments. If the Authority had reported securitized mortgage loans and loan commitments at fair value, assets and net position would be reduced by \$109.6 million and \$127.6 million as of June 30, 2025 and 2024, respectively, and operating revenue and the resulting change in net position would be increased by \$18.0 million and reduced by \$13.5 million for the years ended June 30, 2025 and 2024, respectively.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's 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 auditor's report that includes our opinion. 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information on pages 37 through 38 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Aberdeen, South Dakota  
October 24, 2025

This section of the Nebraska Investment Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations at and for the fiscal years ended June 30, 2025 and 2024. This information is being presented to provide additional information regarding the activities of the Authority and to meet the disclosure requirements of the Governmental Accounting Standards Board (GASB).

The Authority is a self-supporting entity and follows enterprise fund accounting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority's financial report consists of two parts – management's discussion and analysis and the basic financial statements. Management's discussion and analysis should be read in conjunction with the basic financial statements. The basic financial statements consist of statements of net position; statements of revenue, expenses, and changes in net position; statements of cash flows; and the notes thereto.

The statements of net position include all of the Authority's assets and liabilities, presented in order of liquidity, along with the deferred outflows and deferred inflows, which represent deferrals of resources related to future periods. The resulting net position presented in these statements is displayed as net investment in capital assets, restricted by bond resolution and unrestricted. Net position is restricted when its use is subject to external limits such as bond indentures, legal agreements, or statutes. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial assets of the Authority are improving or deteriorating.

All of the Authority's current-year revenue and expenses are recorded in the statements of revenue, expenses, and changes in net position. These statements measure the activities of the Authority's operations over the past year and present the resulting change in net position, calculated as revenue less expenses.

The final required financial statements are the statements of cash flows. The primary purpose of these statements is to provide information about the Authority's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, capital financing, noncapital financing, and investing activities. The statements provide information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements. The notes follow the statements of cash flows.

#### **Authority Credit and General Obligation Rating**

The unsecured general obligation of the Authority is rated AA by Standard & Poor's Rating Services (Standard & Poor's) as of June 30, 2025. This rating takes into account the amount of unrestricted net position maintained by the Authority, as well as certain contingent obligations to which the general obligation of the Authority is pledged. While there is no guarantee that this rating will remain in effect for any period of time, management is committed to maintaining the level of unrestricted net position necessary to maintain an investment grade rating of its general obligation.

## Financial Analysis

The Authority's overall financial position and results of operations for the current and prior two years are summarized below. This information is derived from the basic financial statements (dollars in thousands):

	2025	2024	2023
<b>Assets</b>			
Investments	\$ 437,532	\$ 308,184	\$ 271,372
Loans receivable	2,449,674	1,920,968	1,553,068
Other assets	23,385	20,698	17,279
<b>Total assets</b>	<b>2,910,591</b>	<b>2,249,850</b>	<b>1,841,719</b>
<b>Deferred Outflows of Resources</b>			
Loss on refunding	5,081	6,603	8,398
<b>Total deferred outflows of resources</b>	<b>5,081</b>	<b>6,603</b>	<b>8,398</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,915,672</b>	<b>\$ 2,256,453</b>	<b>\$ 1,850,117</b>
<b>Liabilities</b>			
Bonds payable	\$ 2,376,806	\$ 1,746,917	\$ 1,364,105
Interest payable	30,908	21,399	13,875
Other liabilities	39,774	37,269	35,521
<b>Total liabilities</b>	<b>2,447,488</b>	<b>1,805,585</b>	<b>1,413,501</b>
<b>Deferred Inflows of Resources</b>			
Accumulated increase in fair value of hedging derivatives	8,850	11,437	11,607
Swap up-front payment	4,860	6,458	8,376
<b>Total deferred inflows of resources</b>	<b>13,710</b>	<b>17,895</b>	<b>19,983</b>
<b>Net Position</b>			
Net investment in capital assets	674	133	166
Restricted by bond resolution	361,115	348,808	335,385
Unrestricted	92,685	84,032	81,082
<b>Total net position</b>	<b>454,474</b>	<b>432,973</b>	<b>416,633</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 2,915,672</b>	<b>\$ 2,256,453</b>	<b>\$ 1,850,117</b>
<b>Change in Net Position</b>			
Total revenue, primarily interest income	\$ 132,652	\$ 80,094	\$ 54,955
Total expenses, primarily interest expense	111,151	63,754	40,978
<b>Change in net position</b>	<b>\$ 21,501</b>	<b>\$ 16,340</b>	<b>\$ 13,977</b>



## 2025 Analysis – Statements of Net Position

From June 30, 2024, to June 30, 2025, total assets increased \$660.7 million.

### *Investments – Increase of \$129.3 million*

- The Authority's investment earnings are primarily reinvested, resulting in substantial growth in the investment portfolio during fiscal year 2025.
- A bond closing shortly before fiscal year end in June 2025 resulted in an increased balance of bond proceeds on hand. Investments related to bond proceeds were \$70.8 million higher as of June 30, 2025, than June 30, 2024.

### *Loans Receivable – Increase of \$528.7 million*

- During fiscal year 2025, the Authority's Single Family program experienced stronger production as compared to fiscal year 2024. New loan purchases were \$695.7 million and loan repayments were \$169.7 million in fiscal year 2025, compared to purchases of \$504.2 million and repayments of \$136.3 million in fiscal year 2024.
- Also, during fiscal year 2025, the Authority originated \$20.7 million in multifamily loans funded primarily by Coronavirus State & Local Fiscal Recovery Funds passed through the State of Nebraska. Due to the nature of the loans, the majority of payment, if received, is expected to be deferred to maturity. Because of the uncertainty surrounding repayment and its timing, the loans are reported on the financial statements net of an allowance for loan loss of \$16.3 million.

From June 30, 2024, to June 30, 2025, total deferred outflows of resources decreased \$1.5 million due to amortization of the deferred loss on refunding.

From June 30, 2024, to June 30, 2025, total liabilities increased \$641.9 million.

### *Bonds Payable – Increase of \$629.9 million*

- To fund Single Family loan production, the Authority issued \$755 million (including premium) in Single Family program revenue bonds in fiscal year 2025.
- Total bond maturities and mandatory bond redemptions in fiscal year 2025 were \$119.2 million. Amortization of bond premium was \$5.9 million.

### *Other Liabilities – Interest Payable – Increase of \$9.5 million*

- Interest payable increased \$9.5 million from June 30, 2024, to June 30, 2025, due to the increase in bonds payable outstanding at fiscal year-end, as well as an increase in the weighted average interest rate of the bond portfolio.

From June 30, 2024, to June 30, 2025, total deferred inflows of resources decreased \$4.2 million, primarily due to amortization of the swap up-front payment during fiscal year 2025.

From June 30, 2024, to June 30, 2025, total net position increased \$21.5 million.

- The Authority's revenue less expenses for fiscal year 2025 resulted in an increase in total net position of \$21.5 million.

## **2025 Analysis – Statements of Revenue, Expenses, and Changes in Net Position**

The Authority's change in net position for the year ended June 30, 2025, was \$21.5 million, an increase of \$5.2 million from the year ended June 30, 2024.

### *Operating Revenue – Increase of \$31.7 million*

- Mortgage loan interest increased a total of \$29.1 million as the result of the overall increase in size of the mortgage loan portfolio as well as the weighted average mortgage interest rate of the portfolio.
- Net change in fair value of investments, most of which represents amortization of discount notes, increased \$1.6 million as the result of growth in the investment portfolio.

### *Operating Expenses – Increase of \$31.0 million*

- Interest expense increased \$29.3 million due to the significant increase in bonds payable and an overall higher weighted average rate in the bond portfolio.

### *Nonoperating Revenue (increase of \$20.9 million) and Expense (increase of \$16.4 million)*

- Approximately \$20 million in Coronavirus State & Local Fiscal Recovery Funds were passed through the State of Nebraska to the Authority during fiscal year 2025 and recorded as grant revenue. The federal funds were disbursed as loans to developers of low income housing tax credit projects, with repayment terms based on residual receipts. Due to the nature of the loans, an allowance for loan losses for a material portion of the principal balance (\$16.3 million) was recorded as grant expense.

## **2024 Analysis – Statements of Net Position**

From June 30, 2023, to June 30, 2024, total assets increased \$408.1 million.

### *Investments – Increase of \$36.8 million*

- While the Authority began investing in commercial paper and corporate notes in March 2024, the majority of its investments are in Treasury bills and discount notes which brought higher yields during fiscal year 2024 over 2023. Discount amortization is included in Net Increase in Fair Value of Investments, in accordance with GASB 31. All earnings are reinvested, resulting in the substantial increase in investments at June 30, 2024.

### *Loans Receivable – Increase of \$367.9 million*

- During fiscal year 2024, new loan purchases were \$504.2 million and loan repayments were \$136.3 million, compared to purchases of \$378.8 million and repayments of \$130.0 million in fiscal year 2023.
- In a rising mortgage interest rate environment, as experienced in fiscal year 2024, the Authority is able to achieve a greater spread below mortgage rates otherwise available in the market, making the Authority's Single Family program more attractive and increasing production.
- Fiscal year 2024 was the first full year of production for the Authority's non-first time homebuyer Welcome Home program. Loan purchases for the program in fiscal year 2024 were approximately double that of fiscal year 2023 purchases of \$73.6 million loans.

From June 30, 2023, to June 30, 2024, total deferred outflows of resources decreased \$1.8 million due to amortization of the deferred loss on refunding.

From June 30, 2023, to June 30, 2024, total liabilities increased \$392.1 million.

*Bonds Payable – Increase of \$382.8 million*

- To fund Single Family loan production, the Authority issued \$505 million (including premium) in Single Family program revenue bonds in fiscal year 2024.
- Total bond maturities and mandatory bond redemptions in fiscal year 2024 were \$116.2 million. Amortization of bond premium was \$6.0 million.

*Other Liabilities – Interest Payable – Increase of \$7.5 million*

- Interest payable increased \$7.5 million from June 30, 2023, to June 30, 2024, due to the significant increase in bonds payable outstanding at fiscal year-end, as well as an increase in the weighted average interest rate of the bond portfolio from June 30, 2023, to June 30, 2024.

From June 30, 2023, to June 30, 2024, total deferred inflows of resources decreased \$2.1 million, primarily due to amortization of the swap up-front payment during fiscal year 2024.

From June 30, 2023, to June 30, 2024, total net position increased \$16.3 million.

- The Authority's revenue less expenses for fiscal year 2024 resulted in an increase in total net position of \$16.3 million.

**2024 Analysis – Statements of Revenue, Expenses, and Changes in Net Position**

The Authority's change in net position for the year ended June 30, 2024, was \$16.3 million, an increase of \$2.4 million from the year ended June 30, 2023.

*Operating Revenue – Increase of \$24.8 million*

- Mortgage loan interest increased a total of \$18.2 million as the result of the overall increase in size of the mortgage loan portfolio as well as the weighted average mortgage interest rate of the portfolio. In addition, the adjustment against interest income related to the mortgage subsidy reserve was significantly smaller for fiscal year 2024 than 2023.
- Net change in fair value of investments increased \$5.7 million as the result of changes in the interest rate environment. Much of the change in fair value is related to the amortization of discount notes.

*Operating Expenses – Increase of \$22.5 million*

- Interest expense increased \$21.6 million due primarily to the increase in bonds payable and the significant issuance of bonds at higher interest rates during fiscal year 2024 than rates in the existing portfolio. A decrease in net payments made by the Authority on interest rate swap agreements partially offset the overall increase.

### **Capital Assets and Related Lease Liability Activity**

Capital assets, including depreciable fixed assets and a lease right-of-use asset, totaled \$2.5 million and \$133,000 as of June 30, 2025 and 2024, respectively. During fiscal year 2025, the Authority established a lease right-of-use asset of \$1.9 million in connection with a new office space lease (see Note 6). Additionally, the Authority had \$531,000 in purchases of leasehold improvements and office furniture in connection with its move to the new office space. Depreciation and amortization of capital assets totaled \$82,000 and \$56,000 for the years ending June 30, 2025 and 2024, respectively.

A lease liability of \$1.9 million related to the new office space was established on May 1, 2025 (see Note 9). During the year ended June 30, 2025, the Authority made lease principal and interest payments of \$25,000 and \$13,000, respectively.

### **Long-Term Debt Activity**

During fiscal years 2025 and 2024, the Authority issued Single Family program revenue bonds totaling \$755.0 million and \$505.0 million, respectively. Principal payments on bonds totaled \$119.2 million and \$116.2 million in fiscal years 2025 and 2024, respectively. Amortization of bond premium was \$(5.9 million) and \$(6.0 million) in fiscal years 2025 and 2024, respectively. Detailed information about the Authority's bonds payable is presented in Note 7 to the financial statements.

### **Contact Information**

This financial report is intended to provide users with a general overview of the Authority's financial performance for fiscal years ended June 30, 2025 and 2024. If you have questions about this report or need additional financial information, please contact Nebraska Investment Finance Authority, 1248 O Street, Suite 601, Lincoln, Nebraska 68508, or visit the Authority's website at [www.nifa.org](http://www.nifa.org) and navigate to the Bonds/Finance section.

Nebraska Investment Finance Authority

Statements of Net Position

(Dollars in Thousands)

June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash	\$ 1,841	\$ 1,622
Investments	69,097	66,715
Interest receivable	294	236
Loans receivable	173	153
Other current assets	210	396
Restricted assets		
Cash	15	10
Investments	72,602	61,214
Total current assets	144,232	130,346
Noncurrent Assets		
Investments	21,059	18,224
Loans receivable	7,445	3,400
Restricted assets		
Investments	274,774	162,031
Interest receivable	9,574	6,849
Loans receivable	2,442,056	1,917,415
Fair value of derivatives	8,850	11,437
Lease right-of-use asset, net of accumulated amortization	1,911	-
Other assets	690	148
Total noncurrent assets	2,766,359	2,119,504
Total assets	2,910,591	2,249,850
Deferred Outflows of Resources		
Loss on refunding	5,081	6,603
Total deferred outflows of resources	5,081	6,603
Total Assets and Deferred Outflows of Resources	\$ 2,915,672	\$ 2,256,453



## Nebraska Investment Finance Authority

## Statements of Net Position

(Dollars in Thousands)

June 30, 2025 and 2024

	2025	2024
Liabilities		
Current Liabilities		
Accrued liabilities	\$ 2,323	\$ 2,837
Interest payable	30,908	21,399
Current portion of bonds payable	40,750	39,415
Total current liabilities	73,981	63,651
Noncurrent Liabilities		
Unearned revenue	6,094	4,176
Lease liability, net of current portion	1,775	-
Bonds payable, net of current portion	2,336,056	1,707,502
Mortgage subsidy reserve	29,582	30,256
Total noncurrent liabilities	2,373,507	1,741,934
Total liabilities	2,447,488	1,805,585
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	8,850	11,437
Swap up-front payment	4,860	6,458
Total deferred inflows of resources	13,710	17,895
Net Position		
Net investment in capital assets	674	133
Restricted by bond resolution	361,115	348,808
Unrestricted	92,685	84,032
Total net position	454,474	432,973
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,915,672	\$ 2,256,453

Nebraska Investment Finance Authority  
Statements of Revenues, Expenses and Changes in Net Position  
(Dollars in Thousands)  
For the Years Ending June 30, 2025 and 2024

	2025	2024
Operating Revenue		
Interest income		
Loans	\$ 93,565	\$ 64,423
Investments	1,217	979
Net increase in fair value of investments	13,027	11,430
Fees and other income	3,535	2,838
Total operating revenue	<u>111,344</u>	<u>79,670</u>
Operating Expenses		
Interest	84,145	54,860
General and administrative	8,556	8,005
Provision for loan loss	1,407	-
Nebraska Opportunity Fund	199	465
Total operating expenses	<u>94,307</u>	<u>63,330</u>
Operating income	<u>17,037</u>	<u>16,340</u>
Non-Operating Revenue and Expense		
Grant revenue	21,308	424
Grant expense	(16,844)	(424)
Net non-operating revenue and expense	<u>4,464</u>	<u>-</u>
Change in Net Position	21,501	16,340
Net Position, Beginning of Year	<u>432,973</u>	<u>416,633</u>
Net Position, End of Year	<u><u>\$ 454,474</u></u>	<u><u>\$ 432,973</u></u>

# Nebraska Investment Finance Authority

## Statements of Cash Flows

(Dollars in Thousands)

For the Years Ending June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Purchase of loans	\$ (695,676)	\$ (504,233)
Principal repayments received on loans	169,749	136,272
Interest received on loans	90,345	62,227
Fees and program income received	5,453	3,334
Payments for salaries and employee benefits	(4,133)	(4,268)
Payments for general and administrative costs	(4,348)	(3,792)
Payments for Nebraska Opportunity Fund	(289)	(416)
Net cash used in operating activities	(438,899)	(310,876)
Cash Flows from Capital Financing Activities		
Principal payments on lease	(25)	-
Interest payments on lease	(13)	-
Payment of upfront lease costs	(51)	-
Net cash used in capital financing activities	(89)	-
Cash Flows from Noncapital Financing Activities		
Proceeds from sale of bonds	754,984	504,988
Repayment of bonds	(119,195)	(116,225)
Debt issuance costs paid	(6,249)	(4,595)
Interest paid	(74,351)	(48,815)
Federal grant revenue received	20,308	424
State grant proceeds received in advance	-	1,000
Grant funds disbursed as loans	(20,688)	-
Grant expenditures	(500)	(424)
Net cash provided by noncapital financing activities	554,309	336,353
Cash Flows from Investing Activities		
Interest received on investments	1,976	1,046
Payment of arbitrage rebate	(349)	-
Proceeds from sales, maturities, and calls of investments	1,325,324	896,552
Purchase of investments	(1,441,475)	(921,934)
Purchase of fixed assets	(573)	(70)
Net cash used in investing activities	(115,097)	(24,406)
Net Increase (Decrease) in Cash	224	1,071
Cash, Beginning of Year	1,632	561
Cash, End of Year	\$ 1,856	\$ 1,632

# Nebraska Investment Finance Authority

## Statements of Cash Flows

(Dollars in Thousands)

For the Years Ending June 30, 2025 and 2024

	2025	2024
Reconciliation of Operating Income to Net Cash used in Operating Activities		
Operating income	\$ 17,037	\$ 16,340
Adjustments to reconcile operating income to net cash used in operating activities:		
Purchase of loans	(695,676)	(504,233)
Principal repayments received on loans	169,749	136,272
Interest income on investments	(1,217)	(979)
Interest expense	84,145	54,860
Provision for loan loss	1,407	-
Increase in fair value of investments	(13,027)	(11,430)
Amortization and other income, net	134	71
Depreciation of fixed assets	82	103
Increase in interest receivable	(2,653)	(2,106)
(Increase) decrease in other assets	16	(173)
Decrease in mortgage subsidy reserve	(674)	(161)
Increase in other liabilities	1,778	560
Net cash used in operating activities	<u>\$ (438,899)</u>	<u>\$ (310,876)</u>
Schedule of Non-Cash Capital Financing Activities		
Lease liability for the acquisition of a right to use lease asset	<u>\$ 1,886</u>	<u>\$ -</u>

**Note 1 - Authorizing Legislation and Organizational Structure**

Nebraska Investment Finance Authority (the Authority) was created as a quasi-governmental entity on August 26, 1983, by an Act of the Nebraska Legislature (the Act). The Authority was established to provide sources of mortgage financing at reduced interest rates to Nebraska residents of low- and moderate-income levels, agricultural financing at reduced interest rates to Nebraska farmers and other agricultural enterprises, other financing at reduced interest rates to Nebraska business enterprises, and to provide technical assistance to businesses and communities. The Authority is authorized to invest in loans made for the construction, rehabilitation, or purchase of residential housing and certain enterprises. The Authority has been designated as the allocating agency for the Federal Low Income Housing Tax Credit Program (the LIHTC Program) and the Nebraska Affordable Housing Tax Credit Program (the AHTC Program). The LIHTC and AHTC Programs were established to encourage investment in the construction and rehabilitation of rental housing units for low- and moderate-income individuals and families. The Authority has no taxing power and is exempt from federal and state income taxes. The Authority is authorized to issue tax-exempt revenue bonds and other obligations, the proceeds of which are to be utilized to fulfill the aforementioned purposes. Amounts so issued will not be deemed to constitute a debt of the State of Nebraska or any political subdivision thereof. Any assets remaining upon dissolution of the Authority, after all indebtedness and other obligations are satisfied, will be transferred to the State of Nebraska.

**Note 2 - Significant Accounting Policies**

The following is a summary of the significant accounting and financial reporting policies followed in the preparation of these financial statements:

**Basis of Presentation and Accounting**

The financial activities of the Authority are recorded in accounts established under various bond indentures (program accounts) and in an operating account established for the administration of the Authority's programs. The Authority's program and operating accounts have been presented on a combined basis, as the Authority is considered a single-enterprise fund for financial reporting purposes. All revenue and expenses, with the exception of grant revenue and expense, are considered operating, as they relate directly to the purpose of the Authority. The Authority does not have a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for restricted purposes.

The Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with U.S. generally accepted accounting principles, except for investment in securitized mortgage loans and commitments to buy securitized mortgage loans, as discussed below. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include the mortgage subsidy reserve and derivatives.



**Investments**

Investments are carried at fair value. Changes in the fair value of investments are reported as increases (decreases) in operating revenue in the statements of revenue, expenses, and changes in net position.

**Loans Receivable**

Loans receivable consist of single family mortgages as well as single family Ginnie Mae I, Fannie Mae, and Freddie Mac mortgage-backed pass-through certificates, and Uniform Mortgage-Backed Securities (collectively, "securitized mortgage loans") backed by pools of single family mortgage loans originated pursuant to the Authority's Single Family Program. The Authority has a 100% beneficial interest in the loans underlying the securitized mortgage loans. Loans receivable also include single family second mortgages and loans purchased with full recourse from Habitat for Humanity of Omaha. Finally, loans receivable include below-market rate multifamily loans originated by the Authority pursuant to its LIHTC Gap Financing Program. Loans receivable are carried at the unpaid principal balance or amortized cost, as applicable, net of allowance for loan losses.

**Securitized Mortgage Loans**

The Authority reports securitized mortgage loans at amortized cost. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that investments in debt securities, including securitized loans, be reported at fair value. Based on values obtained from an independent pricing source, the estimated fair value of the Authority's securitized mortgage loans is \$2,280.0 million and \$1,749.6 million, respectively, compared to amortized cost of \$2,392.6 million and \$1,878.6 million at June 30, 2025 and 2024, respectively. GASB Statement No. 31 also requires that the change in fair value be reported in operating revenue and change in net position. Accordingly, the Authority should have reported in its statements of revenue, expenses, and changes in net position the increase (decrease) in fair value of investments of \$16.4 million and (\$13.3 million) for the years ended June 30, 2025 and 2024, respectively, increasing (decreasing) operating revenue and change in net position by those amounts. Net position should have been decreased by the cumulative unrealized losses on the securitized mortgage loans of \$112.6 million and \$129.0 million at June 30, 2025 and 2024, respectively. Interest earned on securitized mortgage loans totaling \$93.1 million and \$63.7 million for the years ended June 30, 2025 and 2024, respectively, has been classified as interest income from loans rather than investments in the statements of revenue, expenses, and changes in net position.

**Debt Financing Costs and Fee Income**

Debt financing costs and fees collected from financial institutions in exchange for mortgage loan servicing rights are expensed as incurred or recognized as income when received, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

**Provision for Loan Losses**

A provision for loan losses is recorded in expenses when, in management's opinion, the realization of all or a portion of the loans is not probable, and the Authority does not have insurance or guarantees on its loans. As described in Note 5, the Authority's single family mortgage loans are primarily in the form of mortgage-backed pass-through certificates. While management uses available information to recognize losses, future additions to the allowance may be necessary based on changes in economic conditions. For loans made from the proceeds of state or federal grants, any provision for loan losses resulting from management's evaluation is recorded as grant expense.

**Lease Right-of-Use Asset**

Lease right-of-use assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Lease right-of-use assets are measured at the initial value of the lease liability plus any payments made to the lessor before lease commencement and initial direct costs necessary to place the lease asset into service, less any lease incentives received from the lessor at or before lease commencement. Lease right-of-use assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

**Lease Liability**

A lease liability, representing the Authority's obligation to make future payments under the terms of a lease, is recognized at the lease commencement date. The initial liability is based on the present value of future lease payments expected to be made during the lease term, discounted using a borrowing rate determined by the Authority.

**Bond Premiums and Losses on Refunding**

Bond premiums are amortized as an adjustment to interest expense over the life of the related bond issues using the effective interest method. Gains or losses on debt refundings are deferred and amortized as an adjustment to interest expense over the shorter of the remaining life of the refunded bonds or the estimated life of the refunding bonds, using the effective interest method.

**Derivative Instruments**

Derivative instruments, as defined in GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), are measured on the statements of net position at fair value, except as noted below. Changes in fair value for those derivative instruments that meet the criteria for hedging instruments under GASB 53 are reported as deferred inflows and outflows of resources. The Authority uses derivative financial instruments, in the form of interest rate swap agreements, to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. These derivatives may involve elements of credit and market risk in excess of amounts recognized in the financial statements in the event of nonperformance by the counterparties to the interest rate derivative transactions. The Authority monitors the credit quality of the counterparties.

Additionally, the Authority commits to purchase mortgage-backed pass-through certificates (securitized mortgage loans) backed by pools of single family mortgage loans originated pursuant to the Authority's Single Family Program. As of June 30, 2025 and 2024, the Authority had committed to purchase additional single family securitized mortgage loans totaling \$178.2 million and \$249.1 million, respectively. The commitments represent amounts reserved with the Authority by participating lenders for loans that have not been delivered to the trustee for purchase by the Authority. Under GASB 53, a commitment to purchase mortgage-backed securities is a derivative instrument and should be reported at fair value with changes in fair value reported in earnings. The Authority does not record commitments to purchase mortgage-backed securities in its financial statements. The Authority should have reported the fair value of its commitments as assets of \$3.0 million and \$1.4 million at June 30, 2025 and 2024, respectively, in its statements of net position. As the commitments are considered investment derivative instruments, the changes in fair value should be reported as (increases) decreases to operating revenue of (\$1.6 million) and \$0.2 million for the years ended June 30, 2025 and 2024, respectively, in its statements of revenue, expenses, and changes in net position. In the fair value hierarchy, the commitments are valued using Level 3 inputs.

**Swap Up-Front Payment**

In connection with several debt issuances beginning in 2010, certain of the Authority's swapped variable rate demand bonds have been refunded with new variable rate demand bonds. In accordance with GASB 53, the related swap agreements were deemed terminated and reassociated with the refunding bonds with no changes in contract terms, resulting in recognition of deemed swap up-front payments initially totaling \$52.1 million, which are being amortized to interest expense over the life of the swap agreements.

**Unearned Revenue**

Compliance monitoring fees received by the Authority at the time a Low-Income Housing Tax Credit (LIHTC) project is placed in service are deferred and used to defray the administrative expenses of the Authority for annually monitoring the project's continued compliance with federal regulations. These fees are amortized to fee income over the 15-year compliance period.

**Arbitrage**

Earnings on certain loans and investments are subject to the arbitrage requirements of the Internal Revenue Code (IRC). Estimated excess earnings on investments that may be rebated to the U.S. Treasury Department are recorded in accrued liabilities. Estimated excess earnings on loans that must be used through other qualified Authority loan programs or paid to the U.S. Treasury Department are recorded in the Mortgage Subsidy Reserve.

Arbitrage rebate amounts that are the result of investment return are recorded as a reduction of interest income on investments. Changes in Mortgage Subsidy Reserve resulting from changes to loan interest spreads are recorded as increase (decrease) in interest income on loans.

**Grant Revenue and Expense**

The Authority is a subrecipient of grant funds in connection with the federal Homeowners Assistance Fund, Emergency Rental Assistance Fund, and Coronavirus State and Local Fiscal Recovery Fund programs. The Authority is also a recipient of funds from the State of Nebraska for the purpose of funding eligible housing projects that provide Community-Based Behavioral Health Services. A portion of grant proceeds are loaned to eligible multifamily rental developments. Other grant proceeds are retained by the Authority to cover the cost of program administration.

**Fair Value**

Governmental Accounting Standards Board (GASB) Statement No. 72 provides a framework for fair value that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.); or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 – Unobservable inputs for assets or liabilities that reflect the Authority's own assumptions about the assumptions that market participants would use.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value:

- Debt securities (Level 1) are valued using prices quoted in active markets.
- Debt securities (Level 2) are valued using matrix pricing.
- Collateralized repurchase agreements (Level 1) are valued at the daily closing price.
- Money market mutual funds (Level 1) are valued at the daily closing price as reported by the fund.

Securitized mortgage loans are reported at amortized cost in the statement of net position; however, the fair value of the Authority's securitized mortgage loans is disclosed in Note 2. Fair value is determined by using quoted prices for similar assets in active markets. In the fair value hierarchy, securitized mortgage loans are valued using Level 2 inputs. See Note 11 for fair value considerations related to the Authority's derivative instruments.

### **Income Taxes**

Income of the Authority, which was formed under Nebraska Revised Statute Section 58-226 as a body politic and independent instrumentality, is excludable from gross income under Section 115(1) of the IRC because such income is generated by the performance of essential governmental functions. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on change in net position or total net position.

### **Note 3 - Asset Restrictions**

All assets within program accounts are restricted to the payment of principal, interest, sinking fund installments, and other purposes in accordance with the terms of each respective bond and note resolution. The financial statements contain the total of all program and operating accounts. However, since the assets of each program account are restricted by the related resolutions, the totaling of the accounts, including assets therein, is for convenience only and does not indicate that the total assets are available in any manner other than that provided for in the resolutions of the separate accounts.

**Note 4 - Cash and Investments****Cash**

The Authority had cash deposits with a carrying value of \$1.9 million and \$1.6 million as of June 30, 2025 and 2024, respectively, and a bank balance of \$1.9 million as of June 30, 2025 and 2024. None of the deposits were uninsured and uncollateralized.

**Investments**

Investments are reported in the statements of net position as follows (dollars in thousands):

	2025	2024
Unrestricted investments (current)	\$ 69,097	\$ 66,715
Restricted investments (current)	72,602	61,214
Unrestricted investments (noncurrent)	21,059	18,224
Restricted investments (noncurrent)	274,774	162,031
	<u>\$ 437,532</u>	<u>\$ 308,184</u>

The net change in fair value of investments was an increase of \$13.1 million and \$11.4 million for the years ended June 30, 2025 and 2024, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. At June 30, 2025 and 2024, the Authority had net unrealized gains (losses) not yet recorded as part of the net change in fair value, of approximately \$1,000 and (\$161,000), respectively, in its investment portfolio.

The investment of funds is restricted by the Act and the various bond indentures of the Authority. Funds not needed for immediate disbursement (other than funds invested pursuant to the terms of specific bond indentures) are required by the Act to be invested in direct and general obligations of, or obligations guaranteed by, the United States of America, obligations issued by certain agencies of the federal government, obligations issued by the State of Nebraska, or certain obligations or securities that may from time to time be legally purchased by governmental subdivisions of Nebraska.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.



# Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2025 and 2024

At June 30, 2025, the Authority had the following investments and maturities (dollars in thousands):

Investment Type	Carrying Value	2025			
		Investment Maturities (in years)			
		Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	\$ 242,206	\$ 227,227	\$ 14,979	\$ -	\$ -
U.S. government agency securities	179,879	177,244	2,635	-	-
Collateralized repurchase agreements	1,104	1,104	-	-	-
Commercial paper	3,247	3,247	-	-	-
Corporate notes	4,536	1,092	3,444	-	-
Money market mutual funds	6,560	6,560	-	-	-
	<u>\$ 437,532</u>	<u>\$ 416,474</u>	<u>\$ 21,058</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2024, the Authority had the following investments and maturities (dollars in thousands):

Investment Type	Carrying Value	2024			
		Investment Maturities (in years)			
		Less than 1	1–5	6–10	More than 10
U.S. Treasury securities	\$ 164,412	\$ 149,688	\$ 14,724	\$ -	\$ -
U.S. government agency securities	120,743	120,504	239	-	-
Collateralized repurchase agreements	203	203	-	-	-
Commercial paper	4,246	4,246	-	-	-
Corporate notes	3,261	-	3,261	-	-
Money market mutual funds	15,319	15,319	-	-	-
	<u>\$ 308,184</u>	<u>\$ 289,960</u>	<u>\$ 18,224</u>	<u>\$ -</u>	<u>\$ -</u>

**Credit Risk:** Investment of funds within each bond issue is limited to investments specified in the applicable indentures to meet the requirements of the rating agency providing the rating on the issue. The Authority's investments in short-term U.S. government agencies and money market mutual funds are rated in the highest short-term rating category by Standard & Poor's and Moody's Investors Service (Moody's) as of June 30, 2025 and 2024. Repurchase agreements are with counterparties whose credit ratings or structures do not adversely affect the rating, if any, on the corresponding bonds.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority is exposed to custodial credit risk on its repurchase agreements of \$1.1 million and \$203,000 at June 30, 2025 and 2024, respectively, as the collateral is held by the counterparties, but not in the Authority's name.

# Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2025 and 2024

*Concentration of Credit Risk:* The Authority places no limit on the amount it may invest in any one issuer. As of June 30, 2025 and 2024, the Authority had greater than 5% of its investment balance with the following issuers:

Issuer	2025	2024
Federal Home Loan Bank	40.7%	39.1%
Allspring Global Investments	1.5%	5.0%

The Authority's investments have the following recurring fair value measurements as of June 30, 2025 and 2024:

Investments by Fair Value Level	2025			
	Fair Value Measurement Using			
	Total Fair Value	(Level 1)	(Level 2)	(Level 3)
Debt securities:				
U.S. Treasury securities	\$ 242,206	\$ 242,206	\$ -	\$ -
U.S. government agency securities	179,879	-	179,879	-
Commercial paper	3,247	-	3,247	-
Corporate notes	4,536	-	4,536	-
Collateralized repurchase agreements	1,104	1,104	-	-
Money market mutual funds	6,560	6,560	-	-
Total investments by fair value level	<u>\$ 437,532</u>	<u>\$ 249,870</u>	<u>\$ 187,662</u>	<u>\$ -</u>
Investments by Fair Value Level	2024			
	Fair Value Measurement Using			
	Total Fair Value	(Level 1)	(Level 2)	(Level 3)
Debt securities:				
U.S. Treasury securities	\$ 164,412	\$ 164,412	\$ -	\$ -
U.S. government agency securities	120,743	-	120,743	-
Commercial paper	4,246	-	4,246	-
Corporate notes	3,261	-	3,261	-
Collateralized repurchase agreements	203	203	-	-
Money market mutual funds	15,319	15,319	-	-
Total investments by fair value level	<u>\$ 308,184</u>	<u>\$ 179,934</u>	<u>\$ 128,250</u>	<u>\$ -</u>

**Note 5 - Loans Receivable**

Loans receivable at June 30, 2025 and 2024, are as follows (dollars in thousands):

	2025		
	Principal	Allowance for Losses	Net
Single Family Loans			
First mortgage whole loans	\$ 22	\$ -	\$ 22
First mortgage loans, pooled as mortgage-backed securities	2,392,642	-	2,392,642
Second mortgage (Homebuyer Assistance) loans	45,359	(1,480)	43,879
Habitat for Humanity loans	8,787	-	8,787
Multifamily Loans			
Gap financing loans	20,687	(16,343)	4,344
	<u>\$ 2,467,497</u>	<u>\$ (17,823)</u>	<u>\$ 2,449,674</u>
	2024		
	Principal	Allowance for Losses	Net
Single Family Loans			
First mortgage whole loans	\$ 91	\$ -	\$ 91
First mortgage loans, pooled as mortgage-backed securities	1,878,577	-	1,878,577
Second mortgage (Homebuyer Assistance) loans	34,174	(73)	34,101
Habitat for Humanity loans	8,199	-	8,199
	<u>\$ 1,921,041</u>	<u>\$ (73)</u>	<u>\$ 1,920,968</u>

**Single Family**

Single family Ginnie Mae I, Fannie Mae, and Freddie Mac mortgage-backed pass-through certificates and Uniform Mortgage-Backed Securities (collectively, "securitized mortgage loans"), which comprise 98% of the total single family loan portfolio, are backed by the guarantee of Ginnie Mae, Fannie Mae, or Freddie Mac, respectively, of monthly payments on the underlying pool of single family mortgage loans, which were originated pursuant to the Authority's Single Family Program. Since Ginnie Mae is a wholly owned corporate instrumentality of the United States, the full faith and credit of the United States is pledged to the payment of all amounts due under such guarantee.

The obligations of Fannie Mae and Freddie Mac are obligations solely of Fannie Mae and Freddie Mac, respectively, and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae or Freddie Mac were unable to satisfy such obligations, distributions to the Authority would consist solely of payments and other recoveries on the underlying mortgage loans, and, accordingly, monthly distributions to the Authority from Fannie Mae and Freddie Mac would be affected by delinquent payments and defaults on such mortgage loans. In accordance with the Federal Housing and Economic Recovery Act of 2008, the Federal Housing Finance Agency was named as conservator of both Fannie Mae and Freddie Mac.

The Authority uses various financing techniques to lower bond costs and utilizes these cost savings to subsidize mortgage loans with interest rates below market. The mortgage subsidy reserve of \$29.6 million and \$30.3 million at June 30, 2025 and 2024, respectively, is net of the amount passed through to borrowers in the form of lower mortgage interest rates.

The following table reconciles the mortgage subsidy reserve for the years ended June 30, 2025 and 2024, (dollars in thousands):

	2025	2024
Balance, Beginning of Year	\$ 30,256	\$ 30,417
Savings realized	3,287	3,293
Savings used	(3,961)	(3,454)
Balance, End of Year	<u>\$ 29,582</u>	<u>\$ 30,256</u>

The savings used, as presented in the above table, represents the amount of interest subsidy consumed by subsidized mortgage loans during each year. Based upon the current mix of mortgage interest rates and the current makeup of the related debt structure, it is estimated that approximately 52%, on a present value basis, of the subsidy reserve balance will be used in future years without the purchase of any additional subsidized mortgage loans.

In connection with its Single Family Mortgage Program, the Authority offers the Homebuyer Assistance (HBA) Program whereby a qualified borrower can receive down payment and closing cost assistance from the Authority in the form of a second lien mortgage loan. The second mortgages bear interest and are repayable in equal monthly installments over a term ranging from 7 to 10 years. These loans are secured solely by a second lien on the respective properties.

In connection with its Single Family Mortgage Program, the Authority purchases loans from Habitat for Humanity of Omaha (Habitat) with full recourse. These loans are both first mortgages, the proceeds of which were used to purchase homes, and second mortgages, the proceeds of which funded certain repairs and improvements to homes. Certain of these loans do not charge interest. Habitat agrees to repurchase defaulted loans.

Multifamily loans consist of below-market rate loans originated by the Authority pursuant to its LIHTC Gap Financing Program and funded with proceeds from federal and state grant programs. These loans are subordinate loans with repayment terms based on residual receipts, and, therefore, repayment may be deferred up to 30 years, at maturity. Given the nature of the loans and associated risk, they are materially reserved upon origination.

**Note 6 - Lease Right-of-Use Asset**

A summary of activity related to the Authority's lease right-of-use asset for the year ended June 30, 2025 is as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Lease right-of-use asset				
Right-of-use - leased office space	\$ -	\$ 1,938	\$ -	\$ 1,938
Accumulated amortization				
Right-of-use - leased office space	-	(27)	-	(27)
Lease right-of-use asset, net	<u>\$ -</u>	<u>\$ 1,911</u>	<u>\$ -</u>	<u>\$ 1,911</u>

**Note 7 - Bonds Payable**

All general obligations of the Authority are payable from the revenue and assets of the Authority, subject to the provisions of individual resolutions adopted pledging particular revenue or assets to specific notes or bonds. As of June 30, 2025 and 2024, the Authority had no general obligation bonds outstanding.

All special or limited obligations of the Authority are payable solely from the revenue and assets of the related accounts pledged therefore. All of the bonds outstanding have been issued pursuant to the Authority's 1994 Single Family Housing Revenue Bond Indenture and are equally and ratably secured by all assets which are pledged under such indenture. Provisions of the IRC limit, on an aggregate basis, the amount of tax-exempt bonds the Authority and political subdivisions of the State of Nebraska may issue.



# Nebraska Investment Finance Authority

## Notes to the Financial Statements

June 30, 2025 and 2024

At June 30, 2025 and 2024, bonds outstanding are as follows (dollars in thousands):

Description and Maturity	Principal Outstanding		Interest Terms
	2025	2024	
2013 Series EF:			
E (fixed rate), due 2024	\$ -	\$ 805	Redeemed in 2024
F (variable rate), due 2025–2038	12,545	14,340	Var. rate demand, payable semiannually
2014 Series AB:			
A (fixed rate), due 2026–2044	-	1,125	Redeemed in 2025
B (variable rate), due 2025–2038	18,100	19,440	Var. rate demand, payable semiannually
2015 Series AB:			
A (fixed rate), due 2037–2045	4,375	6,055	3.50%–3.85%, payable semiannually
B (variable rate), due 2025–2038	14,355	15,080	Var. rate demand, payable semiannually
2015 Series CD:			
C (fixed rate), due 2036–2045	-	875	Redeemed in 2024
D (variable rate), due 2025–2032	10,525	11,655	Var. rate demand, payable semiannually
2016 Series AB:			
A (fixed rate), due 2034–2046	18,335	20,585	3.50%, payable semiannually
B (variable rate), due 2025–2032	10,715	11,865	Var. rate demand, payable semiannually
2016 Series CD:			
C (fixed rate), due 2031–2046	5,845	8,880	3.00%–3.50%, payable semiannually
D (variable rate), due 2025–2032	7,170	7,930	Var. rate demand, payable semiannually
2017 Series ABC:			
AB (fixed rate), due 2028–2040	6,155	9,015	3.50%, payable semiannually
C (variable rate), due 2040–2047	15,820	15,820	Var. rate demand, payable semiannually
2018 Series AB:			
A (fixed rate), due 2035–2048	6,515	9,490	4.00%, payable semiannually
B (variable rate), due 2037–2048	12,000	12,000	Var. rate demand, payable semiannually
2018 Series CD:			
C (fixed rate), due 2039–2048	16,570	23,655	4.00%, payable semiannually
D (variable rate), due 2037–2048	14,115	14,115	Var. rate demand, payable semiannually
2019 Series ABC:			
AB (fixed rate), due 2025–2049	13,195	21,315	2.15%–4.00%, payable semiannually
C (variable rate), due 2035–2049	41,045	41,045	Var. rate demand, payable semiannually
2019 Series DE, due 2034–2049	41,110	52,440	2.60%–3.75%, payable semiannually
2020 Series A, due 2025–2050	79,985	88,025	1.50%–3.50%, payable semiannually
2020 Series BC, due 2025–2050	61,155	66,895	1.15%–3.00%, payable semiannually
2021 Series AB:			
A (fixed rate), due 2025–2045	46,760	53,325	0.55%–3.00%, payable semiannually
B (variable rate), due 2045–2050	20,000	20,000	Var. rate demand, payable semiannually
2021 Series C, due 2025–2050	101,410	111,440	1.55%–5.00%, payable semiannually
2022 Series ABC:			
AB (fixed rate), due 2025–2052	59,600	66,405	2.05%–5.00%, payable semiannually
C (variable rate), due 2036–2051	20,000	20,000	Var. rate demand, payable semiannually
2022 Series DE:			
D (fixed rate), due 2025–2040	78,305	81,960	2.65%–4.35%, payable semiannually
E (variable rate), due 2040–2049	36,755	43,590	Var. rate demand, payable semiannually
2022 Series FG, due 2025–2052	70,355	75,140	4.25%–5.50%, payable semiannually
2023 Series AB, due 2025–2053	122,790	127,715	3.50%–5.58%, payable semiannually
2023 Series CD, due 2025–2053	149,920	155,105	3.60%–5.51%, payable semiannually
2023 Series EF, due 2025–2053	108,525	109,745	3.40%–5.883%, payable semiannually
2023 Series GH, due 2025–2053	97,710	99,650	3.90%–6.50%, payable semiannually
2024 Series AB, due 2025–2054	137,315	139,270	3.25%–6.25%, payable semiannually
2024 Series CD, due 2025–2054	153,225	154,490	3.85%–6.25%, payable semiannually
2024 Series EF, due 2025–2054	250,520	-	3.45%–6.00%, payable semiannually
2024 Series GH, due 2025–2054	130,840	-	4.00%–6.00%, payable semiannually
2025 Series AB, due 2025–2055	174,150	-	2.95%–6.00%, payable semiannually
2025 Series CD, due 2026–2055	187,665	-	4.35%–6.25%, payable semiannually
Total principal outstanding	2,355,475	1,730,285	
Unamortized premium	21,331	16,632	
Total bonds payable	<u>\$ 2,376,806</u>	<u>\$ 1,746,917</u>	

# Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2025 and 2024

**Redemption Provisions:** The Single Family Mortgage Revenue Bonds are subject to certain early redemption provisions, both mandatory and at the option of the Authority. The Authority redeems debt pursuant to the provisions of the related agreements that permit excess revenue and mortgage loan payments and prepayments to be used to retire the obligations at par. Optional redemptions of fixed rate bonds are allowed at various dates approximately nine years after issuance at prices ranging from 103.1% to par, all of which reduce within 3.5 years to par. Optional redemptions of variable rate bonds are allowed at any time at par.

**Variable Rate Interest Terms:** The variable rate demand bonds pay interest using a variable rate determined weekly by the remarketing agent for such bonds.

**Debt Activity:** The following table summarizes the Authority's debt activity for the years ended June 30, 2025 and 2024, and amounts due within one year (dollars in thousands):

	2025	2024
Beginning of Year	\$ 1,746,917	\$ 1,364,105
Issuance	754,984	504,988
Retirement	(119,195)	(116,225)
Premium amortization	(5,900)	(5,951)
End of Year	<u>\$ 2,376,806</u>	<u>\$ 1,746,917</u>
Due Within One Year	<u>\$ 40,750</u>	<u>\$ 39,415</u>

**Debt Service Requirements:** Debt service requirements annually through 2030, and in five-year increments thereafter to maturity, are as follows (dollars in thousands):

Year(s) Ended June 30,	Principal	Interest	Total Debt Service
2026	\$ 40,750	\$ 97,084	\$ 137,834
2027	42,345	97,884	140,229
2028	43,005	96,303	139,308
2029	47,235	94,601	141,836
2030	49,555	92,768	142,323
2031–2035	316,145	433,021	749,166
2036–2040	392,245	366,962	759,207
2041–2045	439,530	284,951	724,481
2046–2050	514,795	181,002	695,797
2051–2055	452,610	62,516	515,126
2056–2060	17,260	423	17,683
Principal and interest payments	<u>\$ 2,355,475</u>	<u>\$ 1,807,515</u>	<u>\$ 4,162,990</u>

*Variable Rate Demand Bonds:* Included in bonds payable are \$233.1 million and \$246.9 million at June 30, 2025 and 2024, respectively, of single family mortgage revenue bonds (the demand bonds) that are subject to purchase on the demand of the bondholder, with seven days' notice, at a price equal to 100% of the principal amount plus accrued interest. In connection with the demand bonds, the Authority has entered into Remarketing Agreements that authorize the remarketing agent to use its best efforts to sell repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. The Authority also has entered into Standby Bond Purchase Agreements (the SBPAs) with Federal Home Loan Bank of Topeka (FHLBank) whereby the FHLBank agrees to purchase demand bonds that the remarketing agent has been unable to remarket. The obligation of FHLBank is subject to the demand bonds maintaining a long-term rating by S&P of not lower than BBB-. Bonds purchased by the FHLBank bear interest at SOFR plus a spread ranging from 2.115% to 2.345%, not to exceed 25%, and interest is payable monthly. The SBPAs have terms ranging from two to five years, which may be extended at the request of the Authority for such period as may be mutually agreed to between the Authority and FHLBank. The termination dates on the SBPAs range from September 1, 2026, to March 1, 2031. No amounts have been drawn on these agreements to date.

Any demand bonds that cannot be remarketed within 91 days of being purchased by FHLBank are subject to mandatory payment by the Authority in 10 equal semiannual principal installments plus interest payable monthly. If this provision was exercised on June 30, 2025, due to a failed remarketing on the entire amount of outstanding demand bonds of \$233.1 million, the Authority would be required to make semiannual principal payments of \$23.3 million for the next five years, and interest payments totaling \$46.0 million over the next five years.

Under the Standby Bond Purchase Agreements, the Authority is required to pay to FHLBank a semiannual commitment fee ranging from 0.26% to 0.28% per annum of the sum of (a) the outstanding principal amount of demand bonds subject to the agreement, and (b) an amount equal to 205 days of interest on the outstanding principal amount of such bonds at a rate of 15.00% per annum. In addition, the Authority pays the remarketing agent a semiannual fee of 0.07% per annum of the outstanding principal amount of the demand bonds.

## **Note 8 - Short-Term Debt**

The Authority has an Advance, Pledge and Security Agreement (the Agreement) with the Federal Home Loan Bank of Topeka (FHLBank). Under the Agreement and the FHLBank's Member Products Policy incorporated in the Agreement, the Authority is authorized to borrow up to 40% of its total assets on an overnight line of credit. Such borrowing has been authorized, up to a maximum of \$100,000,000, by the Authority's Board of Directors for the purpose of financing mortgage-backed securities purchased by the Authority in anticipation of the issuance of bonds in connection with the Single Family Program. Draws under the Agreement have a term of one day, with automatic renewals of the outstanding balance subject to FHLBank's discretion, and bear interest at an adjustable rate which resets daily and is based on FHLBank's cost of funds. The Authority is required to pledge mortgage-backed securities owned by the Authority as collateral. As of and for the years ended June 30, 2025 and 2024, the Authority had no outstanding draws under the Agreement, and no borrowing activity.

**Note 9 - Lease Liability**

During the current year, the Authority entered into a lease agreement for office space with a term of January 1, 2025, through April 30, 2037. Lease payments are payable monthly and increase incrementally each year on May 1 throughout the term of the lease. As of June 30, 2025, the value of the lease liability was \$1.869 million, representing the present value of the future lease payments using an incremental borrowing rate of 7.5%, was recorded and is being amortized using the effective interest method over the life of the lease.

Changes in the lease liability for the year ended June 30, 2025, are as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Lease liability	\$ -	\$ 1,886	\$ (25)	\$ 1,861	\$ 86
	<u>\$ -</u>	<u>\$ 1,886</u>	<u>\$ (25)</u>	<u>\$ 1,861</u>	<u>\$ 86</u>

Lease principal and interest requirements annually through 2030, and in five-year increments thereafter, are as follows (dollars in thousands):

Year(s) Ended June 30,	Principal	Interest	Total
2026	\$ 86	\$ 137	\$ 223
2027	96	130	226
2028	107	122	229
2029	118	114	232
2030	131	105	236
2031–2035	882	346	1,228
2036–2040	441	32	473
Principal and interest payments	<u>\$ 1,861</u>	<u>\$ 986</u>	<u>\$ 2,847</u>

**Note 10 - Conduit Debt Obligations**

The Authority has issued conduit bonds, the proceeds of which were made available to eligible developers for the construction or rehabilitation of multi-family housing; to eligible first-time farmers and ranchers for the purchase of agricultural land, depreciable assets or breeding livestock; to eligible healthcare institutions for the financing of depreciable assets; and to other eligible borrowers for the financing of industrial development projects. The bonds and interest thereon are a limited obligation of the Authority, payable solely from payments received on the underlying mortgage or promissory notes, or, in some cases, from payments received pursuant to agreements with third-party credit enhancement providers. The faith and credit of the Authority is not pledged for the payment of principal and interest on the bonds, and no additional or voluntary commitments of its own resources have been extended by the Authority. Accordingly, these obligations are excluded from the Authority's financial statements.

As of June 30, 2025 and 2024, the principal amount of conduit debt outstanding, by type, was:

	2025	2024
Agricultural	\$ 23,335	\$ 23,613
Development	30,000	30,000
Multifamily	83,391	78,256
	<u>\$ 136,726</u>	<u>\$ 131,869</u>

### Note 11 - Derivative Instruments

The Authority uses derivative financial instruments to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. The Authority's derivatives consist of swap agreements entered into in connection with its issuance of variable rate mortgage revenue bonds.

Swap agreements allow the Authority to raise funds at variable rates and effectively swap them into fixed rates that are lower than those available to the Authority if fixed rate borrowings were made directly. These contracts involve the exchange of variable rate for fixed rate payments between two parties (without the exchange of the underlying principal amount) based on a common notional amount and maturity date.

At June 30, 2025, the Authority has pay-fixed, receive-variable swap agreements outstanding with the following terms:

Bond Series	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received	Counterparty Credit Rating*
2017 C / 2018 B /					
2018 D / 2019 C	12/29/2010	9/1/2031	4.013 %	SIFMA + 0.12%	AA-/Aa2/AA
2013 F	12/29/2010	3/1/2038	3.945	SIFMA + 0.12%	AA-/Aa1/AA
2014 B / 2015 B	3/1/2009	9/1/2038	3.942	SIFMA + 0.12%	A+/A1/A+
2015 D / 2016 B / 2016 D	12/29/2010	9/1/2032	3.889	SIFMA + 0.22%	AA-/Aa1/AA
2019 C	4/30/2019	9/1/2049 (1)	2.342	SIFMA (2)	AA-/Aa2/AA
2021 B	2/23/2021	9/1/2041 (3)	1.631	SIFMA	AA-/Aa1/AA
2022 C	6/1/2022	9/1/2041 (4)	2.019	SIFMA (5)	AA-/Aa1/AA
2022 E	8/2/2022	3/1/2033	2.196	70% SOFR + 0.10%	AA-/Aa2/AA

\* Standard & Poor's/Moody's/Fitch ratings as of June 30, 2025

(1) Cancelable on or after 3/1/28

(2) Swap variable rate changes to 70% of SOFR on 3/1/28

(3) Cancelable on or after 3/1/30

(4) Cancelable on or after 9/1/31

(5) Swap variable rate changes to 70% SOFR + 0.10% on 9/1/31

# Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2025 and 2024

At June 30, 2024, the Authority had pay-fixed, receive-variable swap agreements outstanding with the following terms:

Bond Series	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Received	Counterparty Credit Rating*
2017 C / 2018 B / 2018 D / 2019 C	12/29/2010	9/1/2031	4.013 %	SIFMA + 0.12%	AA-/Aa2/AA
2013 F	12/29/2010	3/1/2038	3.945	SIFMA + 0.12%	AA-/Aa1/AA-
2014 B / 2015 B	3/1/2009	9/1/2038	3.942	SIFMA + 0.12%	A+/A1/A+
2015 D / 2016 B / 2016 D	12/29/2010	9/1/2032	3.889	SIFMA + 0.22%	AA-/Aa1/AA-
2019 C	4/30/2019	9/1/2049 (1)	2.342	SIFMA (2)	AA-/Aa2/AA
2021 B	2/23/2021	9/1/2041 (3)	1.631	SIFMA	AA-/Aa1/AA-
2022 C	6/1/2022	9/1/2041 (4)	2.019	SIFMA (5)	AA-/Aa1/AA-
2022 E	8/2/2022	3/1/2033	2.196	70% SOFR + 0.10%	AA-/Aa2/AA

\* Standard & Poor's/Moody's/Fitch ratings as of June 30, 2024

(1) Cancelable on or after 3/1/28

(2) Swap variable rate changes to 70% of SOFR on 3/1/28

(3) Cancelable on or after 3/1/30

(4) Cancelable on or after 9/1/31

(5) Swap variable rate changes to 70% SOFR + 0.10% on 9/1/31

The Authority reports the fair value of its swap agreements on the statements of net position. The fair values, obtained from an independent source, represent, in accordance with market convention, the valuation of the financial elements of each swap agreement. The valuation is determined by the zero-coupon method using Level 2 inputs, as defined in GASB Statement No. 72, and takes into account nonperformance risk. To the extent that a particular transaction contains restrictive transfer, collateralization, or termination event language, it could be expected that such provisions would impact the ability to terminate a swap agreement at these estimated market values.

As of June 30, 2025 and 2024, the Authority's swap agreements have been determined to be hedging derivatives, as defined by GASB 53. Accordingly, the change in fair value has been deferred in the statements of net position as an accumulated increase or decrease in fair value of hedging derivatives.

Fair values, excluding accrued interest, as of June 30, 2025, and change in fair value for the year then ended are as follows (dollars in thousands):

Bond series:	2025			
	Current Notional	Contract Fair Value	Financial Statement	
			Fair Value	Change in Fair Value
2017 C / 2018 B / 2018 D / 2019 C	\$ 23,995	\$ (651)	\$ 445	\$ (570)
2013 F	10,765	(362)	225	(183)
2014 B / 2015 B	19,775	(655)	704	(410)
2015 D / 2016 B / 2016 D	14,700	(300)	429	(423)
2019 C	19,350	1,669	1,669	(220)
2021 B	15,000	3,270	3,270	88
2022 C	15,000	1,789	1,789	(123)
2022 E	36,755	319	319	(746)
Total	\$ 155,340	\$ 5,079	\$ 8,850	\$ (2,587)

# Nebraska Investment Finance Authority

Notes to the Financial Statements

June 30, 2025 and 2024

Fair values, excluding accrued interest, as of June 30, 2024, and change in fair value for the year then ended are as follows (dollars in thousands):

	2024			
	Current Notional	Contract Fair Value	Financial Statement	
			Fair Value	Change in Fair Value
Bond series:				
2017 C / 2018 B / 2018 D / 2019 C	\$ 30,090	\$ (525)	\$ 1,015	\$ (325)
2013 F	12,495	(300)	408	(86)
2014 B / 2015 B	23,065	(539)	1,114	(220)
2015 D / 2016 B / 2016 D	19,085	(204)	852	(354)
2019 C	19,350	1,889	1,889	469
2021 B	15,000	3,182	3,182	262
2022 C	15,000	1,912	1,912	218
2022 E	43,590	1,065	1,065	(134)
Total	<u>\$ 177,675</u>	<u>\$ 6,480</u>	<u>\$ 11,437</u>	<u>\$ (170)</u>

In accordance with GASB 53, the fair value of the Authority's swap agreements in the statements of net position is determined using the on-market swap rates as of the date of inception of the swap agreements, and in the case of reassociation of swap agreements with refunding bonds, on the refunding date. In the case of refundings, the contractual fixed rates, which the Authority pays to the counterparties, are higher than these rates. If the Authority opted to terminate the swap agreements, the termination payments to the counterparties would be based on the contractual rates. The tables above disclose both the financial statement fair value and the contractual fair value to give financial statement users a clear picture of the Authority's actual liability related to the swap agreements.

## Interest Rate Swap Payments and Associated Debt

The following table (dollars in thousands) summarizes debt service requirements of the Authority's outstanding variable rate bonds and net swap payments, using variable interest rates in effect as of June 30, 2025, for the life of the bonds and swaps. As interest rates vary, variable rate bond interest, and net swap payments will also vary, inversely.

Fiscal years:	Variable Rate Bond Payments		Swap Net Payment (Receipt)	Total Payments
	Principal	Interest		
2026	\$ 5,630	\$ 4,760	\$ 635	\$ 11,025
2027	5,960	3,673	774	10,407
2028	6,325	3,581	607	10,513
2029	6,655	3,460	467	10,582
2030	6,905	3,357	338	10,600
2031–2035	30,480	15,123	785	46,388
2036–2040	34,115	12,508	249	46,872
2041–2045	63,000	8,824	179	72,003
2046–2050	70,090	3,073	78	73,241
2051–2055	3,985	48	-	4,033
	<u>\$ 233,145</u>	<u>\$ 58,407</u>	<u>\$ 4,112</u>	<u>\$ 295,664</u>



**Credit Risk**

The Authority's swap agreements are with three separate counterparties. The Authority is exposed to credit risk on its outstanding swap agreements to the extent they have positive contract fair values (fair value based on the contractual terms of the swap agreements, as opposed to fair value accounting for hybrid instruments under GASB 53). The Authority had four contracts, with two separate counterparties, with a positive fair value totaling \$7.0 million and \$8.0 million at June 30, 2025 and 2024, respectively. The contracts require the party in a negative fair value position to post collateral to the extent the fair value exceeds certain collateral thresholds. The collateral thresholds are based on the prevailing ratings of the counterparty and of the Authority's unenhanced general obligation. As of June 30, 2025 and 2024, neither the Authority nor any counterparty had been required to post collateral.

**Basis Risk**

The variable rate debt hedged by the Authority's swap agreements are variable rate demand obligation bonds that are remarketed weekly. Because the variable rate received under the swap agreements is based on a published index (SIFMA or SOFR) plus a specified spread, the Authority is exposed to basis risk. The interest rates on the variable rate bonds ranged from 1.80% to 1.85% as of June 30, 2025, and from 3.85% to 4.15% as of June 30, 2024. As of June 30, 2025 and 2024, the SIFMA index was 1.92% and 3.88%, respectively. As of June 30, 2025 and 2024, the SOFR index was 4.45% and 5.33%, respectively.

**Termination Risk**

The swap agreements may be terminated by either the Authority or the counterparty if the other party fails to perform under the terms of the agreement or upon certain termination events. The potential termination risks to the Authority are the liability for a termination payment to the counterparty if the swap agreements have negative fair values, and the inability to replace the swap agreement on favorable terms.

**Amortization Risk**

The Authority is exposed to amortization risk because prepayments from the mortgage loan portfolio may cause the outstanding amount of variable rate bonds to decline faster or slower than the amortization of the swap notional amounts. The Authority manages this risk in various ways, including leaving the balance of variable rate debt in excess of the swap notional amounts, which exposes the Authority to the risk of incurring higher interest costs on the unhedged variable rate debt. The Authority may terminate the swaps at market value at any time.

**Rollover Risk**

The Authority is exposed to rollover risk on its swap agreements that mature prior to the maturity date of the associated variable rate bonds they are hedging. In the case of four of the Authority's swap agreement, the variable rate bond maturities extend beyond the swap agreement maturity by nine to eighteen years. The Authority believes that prepayments from mortgage loans used to redeem bonds prior to their maturity will be sufficient to minimize this risk.

**Commitments**

All of the Authority's swap agreements include provisions that may require the Authority to post collateral in the event its general obligation rating falls below A- as issued by Standard & Poor's or A3 as issued by Moody's and the aggregate fair value of the swap contracts entered into with each swap counterparty is in a liability position. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain agency securities, in the amount of the aggregate fair value of the swap contracts with each counterparty (if in a liability position) less contractually specified threshold levels. The Authority's general obligation rating exceeds the rating requirement as of June 30, 2025 and 2024; therefore, there is no collateral posting requirement.

**Note 12 - Retirement Plans**

The Authority administers two defined contribution plans for eligible employees, the Employees' Money Purchase Plan and the Deferred Compensation Plan. Participants in both plans direct the investment of their contributions and any employer match to one or more of the fund options available within the plans. Contributions and earnings within the plans are tax deferred until withdrawal, with the exception of Roth contributions to the Deferred Compensation Plan.

Eligible employees are automatically enrolled in the Employees' Money Purchase Plan after six months of service unless they make a one-time irrevocable election to waive participation. Contribution and employer match rates are set by the plan. The employee contribution rate is 3.6% of the employee's monthly compensation plus 1.2% of monthly compensation in excess of \$2,000. The employer contribution is 7.62% of the employee's monthly compensation plus 1.87% of monthly compensation in excess of \$2,000. Vesting in the employer match occurs over the participant's first six years of service, with forfeitures used to reduce future employer match. The Authority's retirement plan expense was \$258,000 and \$224,000 for the fiscal years ending June 30, 2025 and 2024, respectively.

Employees of the Authority are eligible to enroll in the Deferred Compensation Plan upon hire or on the first day of the month following their election to participate. All contributions to this plan are voluntary and made by employees, with no employer match. Employees may designate all or a portion of their contributions as Roth contributions.

Plan benefits depend solely on amounts contributed to the plan and investment earnings and losses, less administrative expenses.

**Note 13 - Segment Information**

The Authority issues bonds to finance the purchase of mortgage-backed securities in connection with its Single Family mortgage revenue bond program. The bond programs are accounted for in a single enterprise fund, but investors rely on the revenue generated by the activities within each individual bond indenture. Summary financial information for each indenture as of and for the years ended June 30, 2025 and 2024, is presented below (dollars in thousands):

	2025 Single Family 1994 Indenture	2024 Single Family 1994 Indenture
Current assets	\$ 72,679	\$ 61,334
Other assets	2,735,320	2,097,748
Total assets	2,807,999	2,159,082
Deferred outflows of resources	5,081	6,603
Current liabilities	72,617	61,224
Noncurrent liabilities	2,365,638	1,737,758
Total liabilities	2,438,255	1,798,982
Deferred inflows of resources	13,710	17,895
Restricted net position	\$ 361,115	\$ 348,808
Operating revenues	\$ 103,519	\$ 72,486
Operating expenses	87,394	56,509
Operating income	16,125	15,977
Transfers in (out)	(3,818)	(2,554)
Change in net position	12,307	13,423
Beginning net position	348,808	335,385
Ending net position	\$ 361,115	\$ 348,808
Net cash provided by (used in):		
Operating activities	\$ (441,689)	\$ (311,011)
Noncapital financing activities	555,189	335,353
Investing activities	(113,495)	(24,336)
Net increase (decrease) in cash	5	6
Beginning cash	10	4
Ending cash	\$ 15	\$ 10

**Note 14 - Related Parties**

Federal grant revenues of approximately \$20 million were passed through to the Authority by a Subaward Agreement with the Nebraska Department of Economic Development (NDED) during the year ended June 30, 2025. The chair of the Authority's Board of Directors is the Director of NDED.

**Note 15 - Subsequent Events**

On August 26, 2025, the Authority issued \$137.0 million of 2025 Series E and F Single Family Housing Revenue Bonds. The proceeds are being used to make funds available to purchase mortgage loans, mortgage-backed securities, and second mortgage loans made to finance down payment and closing costs of qualified homebuyers.

Subsequent to June 30, 2025, the Authority received \$11.25 million of grant funds under the federal Emergency Rental Assistance program, for the purpose of making loans available to developers of low income housing tax credit (LIHTC) rental developments. By September 30, 2025, the Authority had disbursed the federal funds as loans to seven different LIHTC developments.

Supplementary Information  
June 30, 2025 and 2024

## Nebraska Investment Finance Authority

Nebraska Investment Finance Authority  
Supplemental Asset and Liability Information – All Divisions  
(Dollars in Thousands)  
June 30, 2025 and 2024

	Division			
	Single Family Finance	Operating	2025 Total	2024 Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ -	\$ 1,841	\$ 1,841	\$ 1,622
Investments	-	69,097	69,097	66,715
Interest receivable	-	294	294	236
Loans receivable	-	173	173	153
Other current assets	62	148	210	396
<b>Restricted assets</b>				
Cash	15	-	15	10
Investments	72,602	-	72,602	61,214
<b>Total current assets</b>	<b>72,679</b>	<b>71,553</b>	<b>144,232</b>	<b>130,346</b>
<b>Noncurrent Assets</b>				
Investments	-	21,059	21,059	18,224
Loans receivable	-	7,445	7,445	3,400
<b>Restricted assets</b>				
Investments	274,774	-	274,774	162,031
Interest receivable	9,574	-	9,574	6,849
Loans receivable	2,442,056	-	2,442,056	1,917,415
Fair value of derivatives	8,850	-	8,850	11,437
Lease right-of-use asset, net of amortization	-	1,911	1,911	-
Other assets	66	624	690	148
<b>Total noncurrent assets</b>	<b>2,735,320</b>	<b>31,039</b>	<b>2,766,359</b>	<b>2,119,504</b>
<b>Total assets</b>	<b>2,807,999</b>	<b>102,592</b>	<b>2,910,591</b>	<b>2,249,850</b>
<b>Deferred Outflows of Resources</b>				
Loss on refunding	5,081	-	5,081	6,603
<b>Total deferred outflows of resources</b>	<b>5,081</b>	<b>-</b>	<b>5,081</b>	<b>6,603</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 2,813,080</b>	<b>\$ 102,592</b>	<b>\$ 2,915,672</b>	<b>\$ 2,256,453</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accrued liabilities	\$ 959	\$ 1,364	\$ 2,323	\$ 2,837
Interest payable	30,908	-	30,908	21,399
Current portion of bonds payable	40,750	-	40,750	39,415
<b>Total current liabilities</b>	<b>72,617</b>	<b>1,364</b>	<b>73,981</b>	<b>63,651</b>
<b>Noncurrent Liabilities</b>				
Unearned revenue	-	6,094	6,094	4,176
Lease liability, net of current portion	-	1,775	1,775	-
Bonds payable, net of current portion	2,336,056	-	2,336,056	1,707,502
Mortgage subsidy reserve	29,582	-	29,582	30,256
<b>Total noncurrent liabilities</b>	<b>2,365,638</b>	<b>7,869</b>	<b>2,373,507</b>	<b>1,741,934</b>
<b>Total liabilities</b>	<b>2,438,255</b>	<b>9,233</b>	<b>2,447,488</b>	<b>1,805,585</b>
<b>Deferred Inflows of Resources</b>				
Accumulated increase in fair value of hedging derivatives	8,850	-	8,850	11,437
Swap up-front payment	4,860	-	4,860	6,458
<b>Total deferred inflows of resources</b>	<b>13,710</b>	<b>-</b>	<b>13,710</b>	<b>17,895</b>
<b>Net Position</b>				
Net investment in capital assets	-	674	674	133
Restricted by bond resolution	361,115	-	361,115	348,808
Unrestricted	-	92,685	92,685	84,032
<b>Total net position</b>	<b>361,115</b>	<b>93,359</b>	<b>454,474</b>	<b>432,973</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 2,813,080</b>	<b>\$ 102,592</b>	<b>\$ 2,915,672</b>	<b>\$ 2,256,453</b>

See Independent Auditor's Report

Nebraska Investment Finance Authority  
Supplemental Revenue and Expense Information – All Divisions  
(Dollars in Thousands)  
For the Years Ending June 30, 2025 and 2024

	Division			
	Single Family Finance	Operating	2025 Total	2024 Total
Operating Revenue				
Interest income				
Loans	\$ 93,393	\$ 172	\$ 93,565	\$ 64,423
Investments	(155)	1,372	1,217	979
Net increase in fair value of investments	10,281	2,746	13,027	11,430
Fees and other income	-	3,535	3,535	2,838
Total operating revenue	103,519	7,825	111,344	79,670
Operating Expenses				
Interest	84,133	12	84,145	54,860
General and administrative	1,854	6,702	8,556	8,005
Provision for loan loss	1,407	-	1,407	-
Nebraska Opportunity Fund	-	199	199	465
Total operating expenses	87,394	6,913	94,307	63,330
Operating income	16,125	912	17,037	16,340
Non-Operating Revenue and Expense				
Grant revenue	-	21,308	21,308	424
Grant expense	-	(16,844)	(16,844)	(424)
Net non-operating	-	4,464	4,464	-
Change in Net Position	16,125	5,376	21,501	16,340
Internal transfers	(3,818)	3,818	-	-
Net Position, Beginning of Year	348,808	84,165	432,973	416,633
Net Position, End of Year	\$ 361,115	\$ 93,359	\$ 454,474	\$ 432,973