

NEW ISSUE

In the opinion of Ballard Spahr LLP, Bond Counsel to UHC, interest on the 2013 Series E Bonds is taxable as ordinary income for federal income tax purposes. Bond Counsel is also of the opinion based on existing law that interest on the 2013 Series E Bonds is exempt from Utah individual income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2013 Series E Bonds. See "LEGALITY AND TAX STATUS" herein.

\$106,400,000

UTAH HOUSING CORPORATION

Single Family Mortgage Class I Refunding Bonds, 2013 Series E (Federally Taxable)

Interest from: Date of delivery

Due: as shown below

The Utah Housing Corporation Single Family Mortgage Class I Refunding Bonds, 2013 Series E Bonds (Federally Taxable) (the "2013 Series E Bonds") are being issued under and pursuant to a General Indenture of Trust, dated as of December 1, 2009 (the "General Indenture"), between Utah Housing Corporation ("UHC") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and a 2013 Series E Indenture, dated as of May 1, 2013 (the "2013 Series E Indenture" and, collectively with the General Indenture and other Series Indentures, the "Indenture"), between UHC and the Trustee.

The 2013 Series E Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the 2013 Series E Bonds. Individual purchases will be made in book-entry form only in the principal amount of \$5,000 and integral multiples thereof.

Interest on the 2013 Series E Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2014. Principal and interest on the 2013 Series E Bonds are payable by the Paying Agent to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of such Bonds, as described under the caption "Book-Entry Provisions" herein.

The 2013 Series E Bonds are subject to redemption prior to maturity, including special redemption at par under certain circumstances, as described herein.

\$106,400,000 2.20% Term Class I Bonds Due July 1, 2041 Price 100%

The 2013 Series E Bonds are special obligations of UHC, payable solely from and secured by the pledge pursuant to the Indenture of the revenues and assets derived from the proceeds of the Bonds, including the money and securities held in the Funds and Accounts created by the Indenture other than money and securities held in the Rebate Account, any UHC Payment Account, the Bond Purchase Fund and the Short Term Bond Account, and the Rebate Requirement to be deposited in the Rebate Account, and other revenues as provided in the Indenture. Neither the State of Utah nor any political subdivision thereof is obligated to pay the Bonds and neither the faith and credit nor the taxing power of the State of Utah or of any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the Bonds. UHC has no taxing power.

The 2013 Series E Bonds are offered when, as and if received by the Underwriters, subject to the approval of legality by Ballard Spahr LLP, Salt Lake City, Utah, Bond Counsel to UHC, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, San Francisco, California. It is expected that definitive Bonds will be available for delivery in New York, New York, on or about June 3, 2013.

Wells Fargo Securities

Zions Bank

Dated: May 15, 2013

UTAH HOUSING CORPORATION

BOARD OF TRUSTEES

Douglas L. DeFries, *Chair*

Richard K. Ellis
(*Ex officio—Utah State Treasurer*)

G. Edward Leary
(*Ex officio—Utah State Commissioner
of Financial Institutions*)

Jon Pierpont
(*Ex officio—Executive Director,
Utah State Department of Workforce Services*)

Kay R. Ashton, *Vice Chair*

Mark B. Cohen

Lucy M. Delgadillo

Bruce R. Tucker

Robert M. Whatcott

PRESIDENT AND CEO

Grant S. Whitaker

BOND COUNSEL
Ballard Spahr LLP
Salt Lake City, Utah

UHC COUNSEL
Jones, Waldo, Holbrook & McDonough, P.C.
Salt Lake City, Utah

TRUSTEE, PAYING AGENT AND BOND REGISTRAR
Wells Fargo Bank, National Association
Salt Lake City, Utah

No dealer, broker, salesperson or other person has been authorized by UHC or the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2013 Series E Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from UHC and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of UHC or any other parties described herein since the date as of which such information is presented. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the 2013 Series E Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

TABLE OF CONTENTS

	Page		Page
INTRODUCTION.....	2	Cost of Issuance Account.....	26
CONTINUING DISCLOSURE	3	Revenue Fund	27
UTAH HOUSING CORPORATION	3	Class I Debt Service Fund.....	30
Operations to Date.....	5	Debt Service Reserve Fund	30
FINANCING PLAN	6	Class II Debt Service Fund	32
DESCRIPTION OF THE 2013 SERIES E BONDS	7	Class III Debt Service Fund	32
General Terms	7	Application of UHC Payment Accounts	33
Special Redemption.....	7	Redemption Fund.....	33
Optional Redemption	8	Investment of Moneys Held by the Trustee; Limitation on	
Sinking Fund Redemption	8	Investment Yields	34
Other Provisions Concerning Redemption	8	Program Covenants; Enforcement of Mortgage Loans	34
Estimated Weighted Average Lives of the 2013		Assignment or Disposition of Mortgage Loans;	
Series E Term Bonds	9	Amendment of Mortgage Loans	35
SUMMARY OF 2013E UHC REQUEST.....	10	Creation of Liens	35
Allocation of Investments and Existing Mortgage Loans	10	Events of Default	36
Allocation of Revenues	11	Remedies	36
Special Redemption.....	11	Majority Bondholders Control Proceedings	38
BOOK-ENTRY PROVISIONS	11	General Obligation Bond Default	38
SOURCES AND USES OF FUNDS	13	Modification of Indenture and Outstanding Bonds	40
Sources of Funds	13	Defeasance	40
Uses of Funds	13	SUMMARY OF CERTAIN PROVISIONS OF THE	
SECURITY FOR AND SOURCES OF PAYMENT OF THE		CONTINUING DISCLOSURE CERTIFICATE	41
BONDS	13	Definitions	41
Pledge.....	13	Provision of Annual Bond Disclosure Reports	42
Debt Service Reserve Fund	14	Content of Annual Bond Disclosure Reports	42
Additional Bonds; Refunding Bonds	14	Reporting of Significant Events	42
ASSUMPTIONS REGARDING REVENUES, DEBT		Termination of Reporting Obligation	43
SERVICE REQUIREMENTS, OPERATING EXPENSES		Dissemination Agent	43
AND CERTAIN OTHER MATTERS	14	Amendment; Waiver	43
Delays After Defaults on Mortgage Loans	16	Additional Information	44
OUTSTANDING BONDS AND INVESTMENT		Default	44
OBLIGATIONS	16	Beneficiaries	44
Bonds	16	LEGALITY FOR INVESTMENT	45
Investment Obligations	17	LEGALITY AND TAX STATUS	45
EXISTING MORTGAGE LOAN PORTFOLIO.....	17	NO LITIGATION	45
General	17	UNDERWRITING	45
Loan Insurance	17	FINANCIAL STATEMENTS OF UHC	46
SUMMARY OF CERTAIN PROVISIONS OF THE		ADDITIONAL INFORMATION	46
INDENTURE.....	18	Appendix A—Insurance, Guarantees and Foreclosure	A-1
Definitions of Certain Terms.....	18	Appendix B—Proposed Form of Opinion of Bond Counsel.....	B-1
Funds and Accounts Established by the Indenture.....	25	Appendix C—Outstanding Indebtedness	C-1
		Appendix D—UHC Financial Statements	D-1

(THIS PAGE INTENTIONALLY LEFT BLANK)

OFFICIAL STATEMENT
of
UTAH HOUSING CORPORATION

Relating to its

\$106,400,000

Single Family Mortgage Class I Refunding Bonds, 2013 Series E (Federally Taxable)

This Official Statement (which includes the cover page and appendices hereto) of Utah Housing Corporation (“UHC”) provides certain information in connection with the issuance and sale of UHC’s \$106,400,000 Single Family Mortgage Class I Refunding Bonds, 2013 Series E (Federally Taxable) (the “2013 Series E Bonds”).

The 2013 Series E Bonds will be issued pursuant to the Utah Housing Corporation Act, Title 35A, Chapter 8, Part 7, Utah Code Annotated 1953, as amended (the “Act”), a General Indenture of Trust (the “General Indenture”), dated as of December 1, 2009, between UHC and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and a 2013 Series E Indenture (the “2013 Series E Indenture”), dated as of May 1, 2013, between UHC and the Trustee.

UHC is issuing the 2013 Series E Bonds in furtherance of its Single Family Mortgage Program (the “Program”) in order to refund certain bonds originally issued under the General Indenture in connection with the New Issue Bond Program of the U.S. Department of the Treasury (the “NIBP”) to finance the purchase of housing by low and moderate income persons within the State of Utah (the “State”). UHC has issued bonds under the General Indenture in addition to the bonds being refunded. See “OUTSTANDING BONDS AND INVESTMENT OBLIGATIONS.”

On December 23, 2009, UHC issued pursuant to the Indenture its Single Family Mortgage Bonds, 2009 Series C-1 (the “2009 Series C-1 Bonds”), including \$21,360,000 aggregate principal amount of 2009 Series C-1 Bonds maturing on July 1, 2040 (the “2009 Series C-1 Program Bonds”), and its Single Family Mortgage Bonds, 2009 Series C-2 Bonds (AMT) (together with the 2009 Series C-1 Program Bonds, the “2009 Series C Program Bonds” and together with the 2009 Series C-1 Bonds, the “2009 Series C Bonds”). Pursuant to the NIBP, the 2009 Series C Program Bonds were exchanged for securities (each a “GSE Security”) issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (collectively, the “GSEs”) and backed by the 2009 Series C Program Bonds. These GSE Securities were purchased from UHC by the U.S. Treasury at a price of par, net of certain securitization fees and expenses owed to the GSEs.

On December 21, 2009 UHC issued its Single Family Mortgage Bonds, 2009 Series D (Federally Taxable) (the “2009 Series D Bonds”) in the aggregate principal amount of \$125,300,000. The 2009 Series D Bonds were issued as Class IV Bonds pursuant to the Indenture, and backed by GSE Securities issued by the GSEs, which GSE Securities were purchased by the United States Treasury and held in escrow, as authorized pursuant to the NIBP. All 2009 Series D Bonds have been previously released from escrow and redesignated as Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series D-1 (the “2009 Series D-1 Bonds”), 2009 Series D-2 (the “2009 Series D-2 Bonds”), 2009 Series D-3-1 (the “2009 Series D-3-1 Bonds”) and 2009 Series D-3-2 (the “2009 Series D-3-2 Bonds” and, together with the 2009 Series D-3-1 Bonds, the “2009 Series D-3 Bonds”). The 2009 Series C Program Bonds, the 2009 Series D-1 Bonds and the 2009 Series D-3 Bonds, excepting a portion of the 2009 Series D-3-2 Bonds in the aggregate principal amount of \$2,790,000 (the “Remaining 2009 Series D-3 Bonds”), constitute the “Refunded Program Bonds” to be refunded from proceeds of the 2013 Series E Bonds and available excess Revenues. In connection with the releases of the Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series D-1 and 2009 Series D-3, UHC also issued pursuant to the Indenture its Utah Housing Corporation Single Family Mortgage Bonds, 2010 Series A (the “2010 Series A Bonds” and, together with the 2009 Series D-1 Bonds, the “2010A/2009D-1 Bonds”), and its Utah Housing Corporation Single Family Mortgage Bonds, 2011 Series A-1

and 2011 Series A-2 (the “2011 Series A Bonds” and, together with the 2009 Series D-3 Bonds, the “2011A/2009D-3 Bonds”). The 2010A/2009D-1 Bonds and the 2011A/2009D-3 Bonds each constitute a “Series” under the General Indenture. The 2009 Series C Bonds other than the 2009 Series C Program Bonds (the “2009 Series C Market Bonds”), the 2010 Series A Bonds and the 2011 Series A Bonds are collectively referred to as the “Existing Market Bonds” and, together with the Refunded Program Bonds and the Remaining 2009 Series D-3 Bonds, are referred to as the “Prior Bonds”. The Existing Market Bonds consist of Class I, Class II Bonds and Class III Bonds under the General Indenture. See “OUTSTANDING BONDS AND INVESTMENT OBLIGATIONS.”

UHC may issue additional series of bonds under the General Indenture (“Additional Bonds”) upon satisfaction of the conditions set forth in the General Indenture. All bonds issued under the General Indenture are referred to herein as the “Bonds”. Bonds of each Class issued under the General Indenture are equally and ratably secured by the pledges and covenants contained therein with other Bonds of the same Class. The General Indenture and all supplemental indentures, including supplemental indentures providing for the issuance or remarketing of Bonds (such as the 2013 Series E Indenture), are referred to herein collectively as the “Indenture”.

All capitalized terms used in this Official Statement that are defined in the Indenture shall have the respective meanings set forth in the Indenture. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions of Certain Terms.” The references to and summaries and descriptions of the Act, the Indenture, the Bonds and the Program, the other statutes, instruments and documents which are included in this Official Statement do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by references to the appropriate statute, instrument or document.

INTRODUCTION

The 2013 Series E Bonds are being issued to provide money for UHC (i) to refund the Refunded Program Bonds, and (ii) to pay costs of issuance of the 2013 Series E Bonds. No new mortgage loans will be made in connection with the issuance and sale of the 2013 Series E Bonds. See “FINANCING PLAN” and “SOURCES AND USES OF FUNDS.”

The mortgage loans presently held under the General Indenture (the “Existing Mortgage Loans”) have fixed interest rates and original amortization periods of thirty years. The Existing Mortgage Loans are secured by Mortgages constituting first liens on single-family, owner-occupied housing and were, when purchased by UHC, (i) insured by the Federal Housing Administration (“FHA”), (ii) guaranteed by the Department of Veterans Affairs (“VA”), or (iii) Uninsured. See “EXISTING MORTGAGE LOAN PORTFOLIO.” See also “APPENDIX A – Insurance, Guarantees and Foreclosure” for a summary of UHC’s single family mortgage program. The Indenture does not require Mortgage Loans purchased with amounts made available by the proceeds of Additional Bonds (“Additional Mortgage Loans”) to be insured by FHA or any other insurer or guaranteed by VA or any other guarantor, to have any particular initial loan-to-value ratio, or to bear interest at fixed-rates. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS–Additional Bonds; Refunding Bonds.” The Existing Mortgage Loans and the Additional Mortgage Loans are referred to herein collectively as “Mortgage Loans.” No new Mortgage Loans will be made with proceeds of the 2013 Series E Bonds; however, a portion of the Revenues related to Existing Mortgage Loans financed with proceeds of the Refunded Program Bonds are expected to be used to pay the principal and Redemption Price of, and interest on, the 2013 Series E Bonds. Additional Mortgage Loans may be financed upon such terms and conditions as UHC may establish.

The 2013 Series E Bonds are special obligations of UHC, payable solely from and secured by the pledge pursuant to the Indenture of the revenues and assets derived from the proceeds of the Bonds, including the Mortgage Loans, the money received by UHC from the Mortgage Loans and other revenues as provided in the Indenture and the money and securities held in the Funds and Accounts created by the Indenture other than money and securities held in the Rebate Account, any UHC Payment Account, the Bond Purchase Fund and the Short Term Bond Account, and the Rebate Requirement to be deposited in the Rebate Account.

All Bonds will be secured equally and ratably by the pledge and covenants contained in the Indenture, except as provided by the Indenture, and provided that under the circumstances described herein, the interests of the holders of Class II Bonds in revenues and assets pledged under the Indenture are subordinate to the interests of the holders of Class I Bonds (including the 2013 Series E Bonds), and the interests of the holders of Class III Bonds in

revenues and assets pledged under the Indenture are subordinate to the interests of the holders of the Class I Bonds and the Class II Bonds, and the interests of the holders of the Class IV Bonds in revenues and assets pledged under the Indenture are subordinate to the interests of the holders of the Class I Bonds, the Class II Bonds and the Class III Bonds. None of the 2013 Series E Bonds are Class II Bonds, Class III Bonds or Class IV Bonds.

Neither the State nor any political subdivision thereof is obligated to pay the Bonds and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on the Bonds. UHC has no taxing power.

In addition to the Program, UHC is authorized under the Act to engage in certain other activities. See "UTAH HOUSING CORPORATION – Operations to Date" and "APPENDIX C – Outstanding Indebtedness" for a description of UHC's single family and multi-family programs implemented prior to the date hereof. The proceeds of the Bonds may not be used to finance any activities of UHC other than the Program.

CONTINUING DISCLOSURE

UHC has covenanted for the benefit of the Holders and Beneficial Owners of the 2013 Series E Bonds to provide certain financial information and operating data relating to UHC not later than six months following the end of UHC's fiscal year, commencing with a report for UHC's fiscal year ending June 30, 2013 (the "Annual Bond Disclosure Report"), and to provide notices of the occurrence of certain enumerated events, in some cases if material. The filing of the Annual Bond Disclosure Report or notices of material events will be made solely by transmitting such filing to the Municipal Securities Rulemaking Board pursuant to its Electronic Municipal Market Access ("EMMA") system as provided at <http://www.emma.msrb.org>. The specific nature of the information to be contained in the Annual Bond Disclosure Report and the notices of material events is summarized below. See "SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). During the past five years, UHC has never failed to comply, in all material respects, with an undertaking under the Rule.

UTAH HOUSING CORPORATION

UHC was created as an independent body politic and corporate, constituting a public corporation of the State of Utah by Title 35A, Chapter 8, Part 7, Utah Code Annotated 1953, as amended (the "Act"). The purpose of UHC is to assure an adequate source of capital for housing for low and moderate income persons living in the State of Utah.

The Act was amended effective July 1, 2001 to, among other things, change the organizational structure of UHC from a state agency to a public corporation. Prior to July 1, 2001, UHC was known and did business as "Utah Housing Finance Agency" (the "Agency"). UHC possesses all of the rights, powers and privileges of the Agency and is obligated to fulfill and perform all of the obligations of the Agency.

The Act authorizes UHC to borrow money and issue from time to time its bonds, notes and other obligations in such principal amounts as UHC determines shall be necessary to provide sufficient funds to carry out its purposes and powers, including the power to make mortgage loans and purchase mortgage loans originated by mortgage lenders. The Act does not limit the principal amount of bonds that may be outstanding at any one time. The constitutionality of the Act was upheld by Utah's Supreme Court in March, 1977 in Utah Housing Finance Agency v. Smart, 561 P.2d 1052 (Utah Sup. Ct. 1977).

There are nine trustees of UHC; eight are appointed by the Governor and one is an elected officer of the State. Three trustees serve ex officio; six are public trustees. Any public trustee shall be eligible for reappointment, but may not serve more than two full consecutive terms. Of the six public trustees, two trustees are appointed to represent the mortgage lending industry, two to represent the home building and real estate industry and two to represent the public at large. No more than three of the six public trustees of UHC may belong to the same political party. Each of the public trustees is appointed from and must reside in a different county. Unless a public trustee vacates his or her position for any reason, each trustee shall hold office until his or her successor shall have been

appointed. Five trustees of UHC constitute a quorum for transaction of business. An affirmative vote of at least five trustees is necessary for any action to be taken by UHC. A vacancy in the board of trustees may not impair the right of a quorum to exercise all rights and perform all duties of UHC.

The Act provides that the Chair of UHC shall be appointed by the Governor and the President of UHC shall be appointed by the trustees of UHC. The President of UHC is not a trustee of UHC.

The principal occupation of each trustee and officer of UHC and the dates of commencement and expiration of the respective current terms of the non-ex officio members are as follows:

Richard K. Ellis – (Ex Officio); Utah State Treasurer; Former Director, Governor’s Office of Planning and Budget, State of Utah; Former Executive Director, Department of Administrative Services, State of Utah; Former Chief Deputy State Treasurer, State of Utah; Member, National Association of State Treasurers; Treasurer, Western State Treasurer’s Association; Chairman, Utah Council for Financial and Economic Education; B.S., Brigham Young University; M.B.A., University of Utah. (Term commenced January 5, 2009.)

G. Edward Leary – (Ex Officio); Commissioner, Utah Department of Financial Institutions; Chairman, Board of Financial Institutions; Past Chairman, Conference of State Bank Supervisors; Former Chief Examiner, Utah Department of Financial Institutions; Captain, U.S. Naval Reserve (ret.); B.S. and M.B.A., University of Utah. (Term commenced June 17, 1992.)

Jon Pierpont – (Ex Officio); Executive Director, Utah Department of Workforce Services; former Deputy Director and former Eligibility Services Division Director, Utah Department of Workforce Services; Member, Utah State Homeless Coordinating Committee; Chairman, Utah Refugee Advisory Board; B.S., University of Utah. (Term commenced September 4, 2012.)

Douglas L. DeFries – (Chair); President and Chief Executive Officer, Bank of Utah; Former Chairman, Ogden, Weber Chamber of Commerce; Former Audit Manager, Peat Marwick, Mitchell & Co.; Former Vice President-Controller, American Savings and Loan Association; Past Board Member, Utah Bankers Association and American Institute of Banking; C.P.A.; B.A., Utah State University; M.B.A., Utah State University. (Second term commenced May 1, 2011; expires June 1, 2015.)

Kay R. Ashton – (Vice Chair) Regional Vice President, SWBC Mortgage Corporation; Commissioner, Utah Real Estate Commission; Former Regional Vice President, Academy Mortgage; Former Vice President, Commercial Security Bank. B.S., University of Utah. (First term commenced September 1, 2009; expires May 30, 2013.)

Mark B. Cohen – Partner, Imagine Development Company; Partner, PSC Development Company; Partner, Evergreene Management Group; Member, Board of Directors, Utah Center for Affordable Housing; Member, Board of Directors, Housing Plus; President, Willow Creek Country Club; B.S., University of Michigan. (First term commenced June 1, 2011; expires June 1, 2015.)

Lucy M. Delgadillo – Associate Professor of Consumer Sciences, Department of Family, Consumer and Human Development, Utah State University (USU). B.A., Murray State University, Kentucky; B. S., University of Costa Rica; M. S., Utah State University; Ph. D., Utah State University. (First term commenced September 1, 2009; expires May 30, 2013.)

Bruce R. Tucker – Broker/Owner and Managing Partner, Prudential Utah Real Estate and Prudential CRES Commercial Real Estate; Former Director of Sales and Business Development, Illumin Corporation; Former Vice President of Sales, Marketing and Business Development/Founder, Realexchange.com, Inc.; Member, Technology Committee, Utah County Association of Realtors; B.S., Utah State University. (Second term commenced September 1, 2009; expires May 30, 2013.)

Robert M. Whatcott – C.P.A. and Owner, Whatcott & Associates; Former Member, St. George City Council; Past Board Member, The Foundation for Students for Washington County; B.A., Southern Utah University. (Second term commenced May 2, 2011; expires June 1, 2015.)

Grant S. Whitaker – President and CEO; Former Senior Vice President, Deputy Director, Acting Executive Director, Assistant Executive Director and Multifamily Program Officer, Utah Housing Corporation, 1979-2009; Former Assistant Division Director/Senior Loan Officer, Housing Authority of Salt Lake County; Member, Board of Governors, Salt Lake Chamber of Commerce; Chair, Board of Trustees, Utah Community Reinvestment Corporation; Secretary/Treasurer, Board of Directors, National Council of State Housing Agencies; B.S., University of Utah. (Appointment commenced January 16, 2009.)

Cleon P. Butterfield, CPA – Senior Vice President and CFO, 2001 to present; former Treasurer, former Director of Operations, former Director of Program Development, former Financial Officer, Utah Housing Corporation, 1979-2001; Board Member, Federal Home Loan Bank of Seattle Affordable Housing Advisory Council; Board Member, University of Utah School of Accounting Advisory Board; B.S., Brigham Young University; M.B.A., University of Utah.

Jonathan A. Hanks – Senior Vice President and COO, 2009 to present; former Vice President Multifamily Finance, former Vice President Mortgage Servicing, Utah Housing Corporation, 1995-2008; former Assistant Executive Director, NeighborWorks Salt Lake, 1994-1995; Member, Board of Directors, Utah Center for Affordable Housing; Member, State Homeless Coordinating Committee; Former member and President, Board of Directors, Wasatch Peak Academy; B.A., University of Utah; M.B.A., University of Phoenix.

UHC currently has a staff of seventy-seven persons. The office of UHC is located at 2479 South Lake Park Blvd., West Valley City, Utah 84120. Its telephone number is (801) 902-8200.

Operations to Date

Since its inception and through April 1, 2013, UHC has issued \$7,180,332,874 aggregate principal amount of single family mortgage revenue bonds, \$740,794,362 aggregate principal amount of multifamily mortgage revenue bonds and 501(c)(3) revenue bonds and \$8,000,000 aggregate principal amount of construction loan notes. As of April 1, 2013, \$1,092,440,000 aggregate principal amount of UHC's single family mortgage revenue bonds and \$365,872,000 aggregate principal amount of UHC's multifamily mortgage revenue bonds and 501(c)(3) revenue bonds were outstanding (including compounded interest and excluding bonds issued or redeemed after such date). As of April 1, 2013, UHC had issued bonds and construction loan notes to provide permanent financing for 10,768 dwelling units in 91 multifamily developments and had purchased 67,301 mortgage loans secured by single family homes. See "APPENDIX C – Outstanding Indebtedness" for a more detailed list of UHC's outstanding indebtedness. UHC is actively originating and purchasing mortgage loans in connection with its other single family housing programs; however, no new mortgage loans will be acquired or purchased in connection with the issuance and sale of the 2013 Series E Bonds.

The delinquencies experienced with respect to all of UHC's single family programs on average for each quarter, beginning in 2009, are as set forth in the following table:

Utah Housing Corporation
Delinquency Statistics

QUARTER	AVERAGE NUMBER OF LOANS ¹	AVERAGE DELINQUENCY RATE ²	% OF LOANS DELINQUENT		
			1	PAYMENTS: 2	3 or more
I-2009	9,939	5.99%	3.61	0.81	1.57
II-2009	9,449	6.73%	3.62	1.32	1.79
III-2009	9,258	7.81%	4.39	0.96	2.46
IV-2009	9,429	8.42%	4.58	1.11	2.73
I-2010	9,404	8.15%	4.12	1.27	2.75
II-2010	9,647	8.23%	4.08	1.25	2.89
III-2010	9,714	9.08%	4.19	1.34	3.56
IV-2010	9,546	9.96%	4.52	1.51	3.93
I-2011	9,682	9.56%	4.03	1.29	4.23
II-2011	9,877	8.70%	3.73	1.21	3.76
III-2011	10,145	9.06%	4.08	1.25	3.73
IV-2011	10,352	9.61%	4.50	1.32	3.79
I-2012	10,459	8.67%	3.71	1.12	3.84
II-2012	10,567	8.73%	4.12	1.07	3.54
III-2012	10,796	9.16%	4.34	1.27	3.55
IV-2012	11,297	8.95%	4.44	1.22	3.30
I-2013	11,579	8.68%	4.56	1.06	3.06

¹ Data includes statistics for mortgage loans purchased from the proceeds of prior single family bond issues and from proceeds of other single family programs of UHC and includes mortgage loans underlying investments of amounts in the debt service reserve funds in Qualified Mortgage Loan Mortgage Backed Securities.

² Any monthly payment, with respect to an individual mortgage loan, which is not paid in full prior to or on the due date of the next monthly mortgage payment, is considered delinquent.

UHC directly services all mortgage loans originated under its single family programs and as of March 31, 2013 was servicing 11,636 such mortgage loans.

FINANCING PLAN

The 2013 Series E Bonds are being issued to refund the Refunded Program Bonds, and the Refunded Program Bonds will be redeemed on the date of issuance of the 2013 Series E Bonds. No new mortgage loans will be made in connection with the issuance and sale of the 2013 Series E Bonds; however, the principal and redemption price of, and interest on, the 2013 Series E Bonds will be payable from Revenues, including revenues derived from Existing Mortgage Loans, which would have been used to pay the principal and redemption price of, and interest on, the Refunded Program Bonds. To achieve this result UHC has executed and delivered to the Trustee an UHC Request for each Series of Prior Bonds (collectively, the “2013E UHC Request”) directing the Trustee to allocate and apply Revenues made available because of the redemption and cancellation of each series and maturity of Refunded Program Bonds to the payment of principal and redemption price of, and interest on, the 2013 Series E Bonds. See “SUMMARY OF 2013E UHC REQUEST.”

DESCRIPTION OF THE 2013 SERIES E BONDS

General Terms

2013 Series E Bonds. The 2013 Series E Bonds will be dated their date of delivery, will bear interest from such date at the rate and will mature in the amount and on the date set forth on the cover of this Official Statement. Interest on the 2013 Series E Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2014. The 2013 Series E Bonds will be issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the 2013 Series E Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

Special Redemption

Prepayments, Excess Revenues, Debt Service Reserve Fund Reductions. The 2013 Series E Bonds are subject to redemption prior to maturity as a whole or in part at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date of redemption, without premium, on any January 1 or July 1 on or after January 1, 2014, from Revenues (including Prepayments) allocated to the 2013 Series E Bonds and deposited in the 2013 Series E subaccounts of the Redemption Fund and from amounts in excess of the 2013 Series E Debt Service Reserve Fund Requirement transferred from the 2013 Series E subaccount of the Debt Service Reserve Fund to the 2013 Series E subaccounts of the Redemption Fund. Amounts relating to a Series of Prior Bonds that are available to redeem Bonds (other than sinking fund redemptions) will be allocated ratably, pursuant to the 2013E UHC Request, to redeem (i) the Outstanding Existing Market Bonds of such Series and (ii) the related 2013E Program Bond Share (plus, with respect to the 2011A/2009D-3 Bonds, the aggregate amount of the Remaining 2009 Series D-3 Bonds), in proportion to the respective aggregate principal amounts of the Outstanding Existing Market Bonds of such Series and the related 2013E Program Bond Share (plus, with respect to the 2011A/2009D-3 Bonds, the aggregate amount of the Remaining 2009 Series D-3 Bonds). See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund,” “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Debt Service Reserve Fund” and “SUMMARY OF 2013E UHC REQUEST.”

Each of the following is a Series of Prior Bonds: the 2009 Series C Bonds, the 2010A/2009D-1 Bonds and the 2011A/2009D-3 Bonds.

“2013E Program Bond Share” means, in relation to any Series of Prior Bonds, that portion of the 2013 Series E Bonds applied to refund the Refunded Program Bonds of such Series of Prior Bonds (including a proportionate share of 2013 Series E Bonds the proceeds of which were applied to pay costs of issuance) upon original issuance of the Series 2013 E Bonds, less any amount of such portion of 2013 Series E Bonds paid or redeemed from Revenues and other amounts allocated thereto pursuant to the terms of the 2013E UHC Request and the Related Supplemental Indenture.

Cross Calls and Recycling Prohibited. Except as may be necessary to pay scheduled debt service on Outstanding Bonds or to satisfy the Class I Asset Requirement, Class II Asset Requirement and Class III Asset Requirement for each Series and, except as set forth in the 2013E UHC Request, moneys on deposit in subaccounts of the Redemption Fund related to the 2013 Series E Bonds may not be applied to redeem Bonds of any other Series, and moneys on deposit in Unrelated subaccounts of the Redemption Fund may not be applied to redeem 2013 Series E Bonds. Moneys on deposit in subaccounts of the 2013E subaccount of the Redemption Fund may not be applied to purchase Mortgage Loans. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE– Redemption Fund” and “SUMMARY OF 2013E UHC REQUEST.”

No Unexpended Proceeds Call. No additional deposits to the Acquisition Account established under the Indenture will be made from proceeds of the 2013 Series E Bonds and 2013 Series E Bonds are not subject to redemption prior to maturity from such amounts.

Optional Redemption

The 2013 Series E Bonds are subject to redemption at the option of UHC on or after January 1, 2023, either in whole at any time or in part on any interest payment date, at a Redemption Price, without premium, equal to the principal amount thereof plus accrued interest thereon to the date of redemption.

In the event of an optional redemption in part, UHC shall direct the tenor and the amounts thereof so to be redeemed.

Sinking Fund Redemption

The 2013 Series E Bonds are subject to redemption in part, by lot, at the principal amount thereof plus accrued interest thereon to the date of redemption, from mandatory Class I Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay at maturity the principal amount of such Class I Bonds specified for each of the dates in the following table:

Date	Amount (\$)	Date	Amount (\$)
January 1, 2026	650,000	January 1, 2034	3,875,000
July 1, 2026	1,585,000	July 1, 2034	3,940,000
January 1, 2027	2,270,000	January 1, 2035	4,005,000
July 1, 2027	2,295,000	July 1, 2035	4,030,000
January 1, 2028	2,340,000	January 1, 2036	4,100,000
July 1, 2028	2,350,000	July 1, 2036	4,135,000
January 1, 2029	2,415,000	January 1, 2037	4,210,000
July 1, 2029	2,420,000	July 1, 2037	4,265,000
January 1, 2030	2,455,000	January 1, 2038	4,430,000
July 1, 2030	2,495,000	July 1, 2038	4,675,000
January 1, 2031	2,540,000	January 1, 2039	4,760,000
July 1, 2031	2,540,000	July 1, 2039	4,795,000
January 1, 2032	2,935,000	January 1, 2040	4,880,000
July 1, 2032	3,355,000	July 1, 2040	4,955,000
January 1, 2033	3,420,000	January 1, 2041	3,580,000
July 1, 2033	3,840,000	July 1, 2041*	1,860,000

* Final maturity

The amounts accumulated for each Class I Sinking Fund Installment may be applied by the Trustee or the Paying Agent, at the direction of UHC, prior to the giving of notice of redemption of 2013 Series E Bonds from such Class I Sinking Fund Installment, to the purchase for cancellation of 2013 Series E Bonds for which such Class I Sinking Fund Installment was established at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase.

Upon any purchase or redemption of 2013 Series E Bonds, other than by application of Class I Sinking Fund Installments, an amount equal to the applicable principal amount thereof will be credited toward a part or all of any one or more of such Class I Sinking Fund Installments, as directed by UHC in an UHC Request or in written instructions accompanied by a Cash Flow Statement with respect to the 2013 Series E Bonds, at the time of such purchase or redemption.

Other Provisions Concerning Redemption

Notice of redemption is to be given not less than 20 nor more than 60 days prior to the redemption date by first-class mail or such other method as may be customary for the industry to the registered owner of any 2013 Series E Bonds or portions of 2013 Series E Bonds to be redeemed at such registered owner's last address appearing on the registration records of the Bond Registrar. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owners of such 2013 Series E Bonds shall have actually received such

notice. Receipt of such notice by the registered owner of any 2013 Series E Bond shall not be a condition precedent to the redemption of such Bond. Failure to give notice of redemption to any registered owner or any defect therein shall not affect the validity of redemption proceedings for any 2013 Series E Bond with respect to which no such failure or defect has occurred.

If DTC or its nominee is the registered owner of any 2013 Series E Bonds to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such 2013 Series E Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any 2013 Series E Bond to be redeemed shall not affect the validity of the redemption of such Bond. See “BOOK-ENTRY PROVISIONS.”

If less than all the 2013 Series E Bonds are to be redeemed, the respective portions thereof to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion deems fair and appropriate.

The portion of any 2013 Series E Bond of a denomination larger than the minimum denomination may be redeemed in the principal amount of such minimum denomination or in an integral multiple of \$5,000 in excess thereof, and for purposes of selection and redemption, any such 2013 Series E Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate 2013 Series E Bonds of such minimum denomination which is obtained by dividing the principal amount of such 2013 Series E Bond by such minimum denomination (provided that one of such Bonds may be in a denomination in excess of such minimum denomination). If there shall be selected for redemption less than all of a 2013 Series E Bond, UHC shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such 2013 Series E Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2013 Series E Bond so surrendered, 2013 Series E Bonds of like interest rate, tenor and maturity in any of the authorized denominations.

If, on the redemption date, moneys for the redemption of 2013 Series E Bonds or portions thereof, together with interest to the redemption date, shall be held by the Trustee or the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the 2013 Series E Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

Subject to the terms and conditions set forth in the Indenture and prior to the mailing by the Bond Registrar of a notice of redemption with respect to 2013 Series E Bonds of any particular tenor, UHC may direct the Trustee or the Paying Agent to purchase such 2013 Series E Bonds with available moneys under the Indenture for cancellation in lieu of redemption. The Trustee and the Paying Agent shall apply available moneys in accordance with the Indenture from the Funds and Accounts specified in the Indenture to purchase such 2013 Series E Bonds.

Estimated Weighted Average Lives of the 2013 Series E Term Bonds

The weighted average life of a security refers to the average of the length of time that will elapse from the date of issuance of such security to the date each installment of principal is paid to the investor weighted by the amount of such installment. The weighted average lives of the 2013 Series E Term Bonds will be influenced by, among other factors, the rate at which principal payments (including scheduled payments and principal prepayments) are made on the Existing Mortgage Loans. See “EXISTING MORTGAGE LOAN PORTFOLIO.”

Payments of mortgage loans are commonly projected in accordance with a prepayment standard or model. The results of the model used in this Official Statement have been calculated using the Bond Market Association (formerly the Public Securities Association) (“PSA”) prepayment standard or model (the “PSA Prepayment Benchmark”) which is based on an assumed rate of prepayment each month of the then unpaid principal balance of the mortgage loans. The PSA Prepayment Benchmark assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgages’ life and then assumes a constant prepayment rate of 6% per annum of the unpaid principal balance for the remaining life of the mortgage loans.

The following table assumes, among other assumptions, that (i) all of the Existing Mortgage Loans are prepaid at the indicated percentage of PSA Prepayment Benchmark, (ii) all scheduled principal and interest payments on Existing Mortgage Loans and Prepayments of Existing Mortgage Loans are timely received and UHC experiences no foreclosure losses on Existing Mortgage Loans, (iii) no moneys are withdrawn from the trust estate by UHC after satisfaction of the requirements of the Indenture, (iv) amounts in the 2013 Series E subaccounts of the Class I Special Redemption Account are used to redeem 2013 Series E Bonds as described in “DESCRIPTION OF THE 2013 SERIES E BONDS – Special Redemption,” and (v) no 2013 Series E Bonds are redeemed pursuant to the optional redemption provisions of the Indenture. Based on such assumptions, some or all of which are unlikely to reflect actual experience, the following table indicates the projected weighted average lives of the 2013 Series E Term Bonds. See “DESCRIPTION OF THE 2013 SERIES E BONDS – Special Redemption – Cross Calls and Recycling Prohibited” for information concerning the prohibition on recycling and cross calling.

The PSA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of prepayments of the Existing Mortgage Loans, and there is no assurance that the Prepayments of such Existing Mortgage Loans will conform to any of the assumed prepayment rates. See “ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS, OPERATING EXPENSES AND CERTAIN OTHER MATTERS” for a discussion of certain factors that may affect the rate of prepayment of the Existing Mortgage Loans. UHC makes no representation as to the percentage of the principal balance of the Existing Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment.

Projected Weighted Average Lives (in years)
of 2013 Series E Term Bonds¹

Prepayment Speed	Weighted Average Life
0% PSA	14.5
25% PSA	12.6
50% PSA	11.0
75% PSA	9.7
100% PSA	8.7
125% PSA	7.9
150% PSA	7.2
200% PSA	6.1
300% PSA	4.6
400% PSA	3.8
500% PSA	3.2

¹ The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bond to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

Based on information provided by UHC, the estimated prepayment speed for the Existing Mortgage Loan Portfolio from purchase date through March 31, 2013 is approximately 266% PSA.

SUMMARY OF 2013E UHC REQUEST

The 2013E UHC Request, a form of which is available from UHC and the Trustee, contains various provisions some of which are summarized herein.

Allocation of Investments and Existing Mortgage Loans

An interest in the investments or moneys held in each subaccount of the Debt Service Reserve Fund relating to each Series of Prior Bonds shall be allocated on a continuing basis between each such subaccount and the 2013 Series E subaccount of the Debt Service Reserve Fund in proportion to (i) the Outstanding Aggregate Principal Amount of Existing Market Bonds of such Series plus, with respect to the 2011A/2009D-3 Bonds, the Remaining 2009 Series D-3 Bonds (collectively and in each case, the “Remaining Bonds”) secured by such subaccount of the

Debt Service Reserve Fund, and (ii) the 2013E Program Bond Share with respect to such Series of Prior Bonds. Furthermore, an interest in the Existing Mortgage Loans relating to each Series of Prior Bonds shall be allocated on a continuing basis between the Remaining Bonds issued under the applicable Series Indenture and the 2013 Series E Bonds in proportion to the Outstanding Aggregate Principal Amount of such Series of Remaining Bonds and the 2013E Program Bond Share with respect to such Series of Prior Bonds.

Allocation of Revenues

Remaining Bonds of each Series of Prior Bonds and the 2013E Program Bond Share relating to it shall be treated as the same Series for fund flow purposes of the General Indenture; provided that, on the dates on which deposits are made to the Funds and Accounts pursuant to fund flow provisions of the General Indenture, the moneys to be applied to the 2013 Series E Bonds shall be deposited in the 2013 Series E subaccounts of the Funds and Accounts (including any replenishment of the 2013 Series E subaccount of the Debt Service Reserve Fund) in the priority set forth in the General Indenture. Furthermore, moneys shall be deposited in the 2013 Series E subaccounts of the Special Redemption Account pursuant to fund flow provisions of the General Indenture in the amounts necessary to satisfy the 2013 Series E Class I Asset Requirement and to provide for the allocation of funds as set forth herein under the heading DESCRIPTION OF THE 2013 SERIES E BONDS – Special Redemption.

Special Redemption

Except as may be otherwise directed by UHC, amounts to be deposited in the 2013 Series E subaccounts of the Special Redemption Account shall be determined by the Trustee based on the order of priority set forth in the Series Indenture and the 2013E UHC Request.

BOOK-ENTRY PROVISIONS

The Depository Trust Company (“DTC”), New York, New York will act as securities depository for the 2013 Series E Bonds. The 2013 Series E Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each tenor of the 2013 Series E Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of 2013 Series E Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2013 Series E Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2013 Series E Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase.

Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2013 Series E Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2013 Series E Bonds, except in the event that use of the book-entry system for the 2013 Series E Bonds is discontinued.

To facilitate subsequent transfers, all 2013 Series E Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2013 Series E Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2013 Series E Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2013 Series E Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2013 Series E Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2013 Series E Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2013 Series E Bonds may wish to ascertain that the nominee holding the 2013 Series E Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2013 Series E Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2013 Series E Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to UHC as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2013 Series E Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2013 Series E Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from UHC, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, or UHC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of UHC, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2013 Series E Bonds at any time by giving reasonable notice to UHC. Under such circumstances, in the event that a successor depository is not obtained, 2013 Series E Bond certificates are required to be printed and delivered.

UHC may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2013 Series E Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that UHC believes to be reliable, but UHC takes no responsibility for the accuracy thereof.

SOURCES AND USES OF FUNDS

The expected sources and uses of funds with respect to the 2013 Series E Bonds are set forth below:

Sources of Funds

2013 Series E Bond proceeds.....	\$106,400,000
Total	<u>\$106,400,000</u>

Uses of Funds

Retirement of Refunded Program Bonds	\$ 105,380,000
Costs of issuance	255,313
Underwriters' Fee.....	<u>764,687</u>
Total	<u>\$ 106,400,000</u>

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

Pledge

The Bonds are to be secured under the Indenture by a pledge of and lien on the proceeds of the Bonds, the Revenues, all moneys and securities in the Funds and Accounts (other than moneys and securities in the Rebate Account, any UHC Payment Account, the Bond Purchase Fund and the Short-Term Bond Account, and the Rebate Requirement required to be deposited in the Rebate Account) created by or pursuant to the Indenture, including the Investments thereof (if any), the rights and interest of UHC in and to the Mortgage Loans, and any and all other property of any kind from time to time hereafter pledged as additional security under the Indenture by a Series or Supplemental Indenture, by delivery or by writing of any kind by UHC or by any person on its behalf.

For purposes of the pledge and lien of the Indenture, the term "Mortgage Loan" includes only Mortgage Loans acquired by the Trustee from monies in the Acquisition Account.

The term "Revenues" means (i) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (ii) Investment Revenues, (iii) Interest Rate Contract Revenues, and (iv) all other payments and receipts received by UHC with respect to Mortgage Loans, but shall not include (A) Escrow Payments, (B) Servicing Fees, unless such fees are specifically pledged to the Trustee, (C) any commitment, reservation, extension or application fees charged by UHC in connection with a Mortgage Loan or Mortgage Purchase Agreement, (D) any commitment, reservation, extension or application fees charged by a Lender in connection with a Mortgage Loan or (E) accrued interest received upon the purchase of any Investment Obligations. See "OUTSTANDING BONDS AND INVESTMENT OBLIGATIONS" and "EXISTING MORTGAGE LOAN PORTFOLIO."

The pledge is subject in all cases to the provisions of the Indenture permitting the application of such moneys and assets for or to the purposes and on the terms and conditions set forth therein. Such applications include refunding certain outstanding bonds of UHC, purchasing Mortgage Loans with Bond proceeds and paying principal of and interest on the Bonds with Revenues. The pledge and lien of the Indenture is created and established in the following order of priority: first, to secure the payment of the principal of and interest on the Class I Bonds in accordance with the terms and the provisions of the Indenture, second, to secure the payment of the principal of and

interest on the Class II Bonds in accordance with the terms and the provisions of the Indenture, third, to secure the payment of the principal of and interest on the Class III Bonds in accordance with the terms and the provisions of the Indenture and fourth, to secure the payment of the principal of and interest on the Class IV Bonds in accordance with the provisions of the Indenture; provided, however, that moneys and investments held in subaccounts of any UHC Payment Account of the Debt Service Fund are pledged solely for the payment of Principal Installments, Redemption Price of, interest on and other amounts payable with respect to General Obligations of the Related Series and class with respect to which such subaccount was created and are not pledged to pay principal, Redemption Price of, interest on and other amounts payable with respect to any other Bonds; and provided further that proceeds derived from the sale of a Series of Short Term Bonds may be pledged solely for the Principal Installments and Redemption Price, if any, and interest on such Series of Short Term Bonds. The 2013 Series E Bonds are not secured by amounts on deposit in the UHC Payment Account.

Debt Service Reserve Fund

The Indenture establishes a Debt Service Reserve Fund for the Bonds and provides for the establishment of a Debt Service Reserve Fund Requirement with respect to each Series of Bonds. “Debt Service Reserve Fund Requirement” means, with respect to the 2013 Series E Bonds, an amount equal to five percent (5%) of the Aggregate Principal Amount of all 2013 Series E Bonds Outstanding. Upon issuance of the 2013 Series E Bonds, investments on deposit in the Indenture having an aggregate principal amount equal to \$5,320,000 will be allocated to the 2013 Series E subaccount of the Debt Service Reserve Fund in accordance with the 2013E UHC Request. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Debt Service Reserve Fund” and “SUMMARY OF 2013E UHC REQUEST.”

As of March 31, 2013, the Debt Service Reserve Fund Requirement with respect to all Series of Bonds Outstanding was \$13,905,000, an amount equal to at least such amount was on deposit in the Debt Service Reserve Fund, and approximately \$12,493,692 of such amount on deposit in the Debt Service Reserve Fund was invested in Qualified Mortgage Loan Mortgage Backed Securities. In accordance with the General Indenture, in computing the amount in the Debt Service Reserve Fund, Investment Obligations (including Qualified Mortgage Loan Mortgage Backed Securities) are valued at par or, if purchased at other than par, at their Amortized Value, in either event inclusive of accrued interest purchased.

The Debt Service Reserve Fund is not a “capital reserve fund” as such term is used in the Act.

Additional Bonds; Refunding Bonds

UHC may issue Additional Bonds and/or Refunding Bonds secured by the pledge and lien of the General Indenture upon satisfaction of the terms and conditions of the General Indenture, including the condition that, so long as there are Outstanding Bonds rated by a Rating Agency, UHC will obtain a confirmation from each such Rating Agency then providing a rating on any Outstanding Bonds that the issuance of such Bonds will not result in the lowering or withdrawal of its then current rating on each Series of Outstanding Bonds. UHC has reserved the right to issue other obligations not secured by the pledge and lien of the General Indenture.

ASSUMPTIONS REGARDING REVENUES, DEBT SERVICE REQUIREMENTS, OPERATING EXPENSES AND CERTAIN OTHER MATTERS

UHC expects payments of principal and interest on Mortgage Loans, together with Prepayments to be received by UHC with respect to Mortgage Loans and income expected to be derived from the investment of moneys in funds and accounts established pursuant to the Indenture to be sufficient to pay the interest on, principal of and Sinking Fund Installments for the Bonds and the costs of operating the Program. Certain assumptions have been made as to the range of variation in the generation of Revenues from such sources in order to determine the effect of such variation on the sufficiency of Revenues to pay debt service on the Bonds. UHC has reviewed these assumptions and concluded that they are reasonable, but cannot guarantee that actual results will not vary materially from those projected. To the extent that (i) Mortgage Loans are not paid on a timely basis in accordance with their terms, (ii) the rate of receipt of Prepayments is either more rapid or less rapid than that projected, or (iii) actual

investment income differs from that estimated by UHC, the moneys available may be insufficient for the payment of debt service on the Bonds and operating expenses of the Program.

Payments on Mortgage Loans, whether from scheduled monthly installments or from Prepayments, together with Revenues generated as investment income on the funds held under the Indenture, and invested in Investment Obligations (including investment agreements), are assumed to be the primary source of revenue. All Mortgage Loans are assumed to amortize as thirty-year, fixed-rate mortgages, with equal monthly installments of principal and interest taken together. The Mortgage Loans are assumed to bear interest at a rates set forth under “EXISTING MORTGAGE LOAN PORTFOLIO.”

Moneys in the 2013 Series E subaccounts of the Revenue Fund, the Class I Debt Service Fund and the Redemption Fund, and moneys in the 2013 Series E subaccount of the Debt Service Reserve Fund will be invested in Investment Obligations in a manner designed to maintain the rating on the Class I Bonds by each nationally recognized rating agency then rating the Class I Bonds and may be invested pursuant to investment agreements with investment providers the unsecured obligations of which, at the time of investment, are rated by each nationally recognized rating agency then rating the Class I Bonds, or whose payment obligations under such investment agreements are guaranteed by an entity whose unsecured obligations are rated, or whose unsecured obligations otherwise meet the requirements of each such rating agency in obtaining the expected rating on the Class I Bonds as of the date of delivery of the 2013 Series E Bonds. In order to increase the amount available for Mortgage Loans, UHC may instruct the Trustee to invest amounts in the 2013 Series E subaccount of the Debt Service Reserve Fund in Qualified Mortgage Loan Mortgage Backed Securities.

UHC anticipates that there will be some delinquent and defaulted Mortgage Loan payments. In addition, physical damage to the residences securing the Mortgage Loans may exceed the limits of, or be caused by a peril not insured under, the standard hazard insurance policies insuring such residences. UHC believes that it is reasonable to assume that the amount of delinquent and defaulted Mortgage Loan payments for which mortgage insurance proceeds are expected to be but have not been received will not exceed the aggregate balance in the Debt Service Reserve Fund. See also “–Delays after Defaults on Mortgage Loans.”

UHC has established a Sinking Fund Installment schedule for the 2013 Series E Bonds based on the assumptions used to establish maturity and Sinking Fund Installment schedules for the Prior Bonds regarding Prepayments of the Existing Mortgage Loans Related to the Prior Bonds. If Prepayments of such Mortgage Loans occur, a portion of the 2013 Series E Bonds may be redeemed pursuant to the special redemption provisions of the Indenture. See “DESCRIPTION OF THE 2013 SERIES E BONDS – Special Redemption” and “–Estimated Weighted Average Lives of the 2013 Series E Term Bonds.” UHC anticipates that a portion of such Mortgage Loans will be partially or completely prepaid or terminated prior to their respective final maturity and the 2013 Series E Bonds may have a substantially shorter life than the stated maturity of the 2013 Series E Bonds. The actual rate of principal payments on pools of mortgage loans may be influenced by a variety of economic, geographic, social and other factors and there is no reliable basis for predicting the actual average life of the Mortgage Loans. In general, if prevailing interest rates fall significantly below the interest rates on the Mortgage Loans, the Mortgage Loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on the Mortgage Loans. Conversely, if interest rates rise above the interest rate on the Mortgage Loans, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of Mortgage Loans include changes in mortgagors’ housing needs, job transfers, unemployment, mortgagors’ net equity in the mortgaged properties, servicing decisions, the age and payment terms of the mortgages, the extent to which the mortgages are assumed or refinanced, the use of second-lien or other individualized financing arrangements and the requirements of the Program, including the requirements of the Code with respect to the assumption of mortgages funded with the proceeds of qualified mortgage bonds. UHC makes no representation as to the factors that will affect the prepayment of the Mortgage Loans or the relative importance of such factors. Factors not identified by UHC or discussed herein may significantly affect the prepayment of Mortgage Loans.

UHC believes the assumptions described herein are reasonable, but cannot guarantee that actual results will not vary materially from such assumptions. If subsequent events do not correspond to such assumptions, the amount of revenues from Mortgage Loans, investment earnings and insurance proceeds available for the payment of principal of, Sinking Fund Installments for and interest on the Bonds and costs of operating of the Program may be adversely affected.

Delays After Defaults on Mortgage Loans

In the event that a mortgagor defaults in the payment of a Mortgage Loan and UHC institutes foreclosure proceedings, there will be certain required time delays which, should they occur with respect to a sufficient number of Mortgage Loans, could disrupt the flow of revenues available for the payment of principal of, Sinking Fund Installments for and interest on the Bonds. These time delays derive from the procedures applicable to the collection of mortgage insurance or guarantees as well as those required under Utah law for the enforcement of rights of mortgagees. Those procedures are described in “APPENDIX A – Insurance, Guarantees and Foreclosure.”

Certain mortgagors may be entitled to benefits under the Soldiers and Sailors Civil Relief Act, as amended (the “Relief Act”). Under the Relief Act, a mortgagor may be granted certain forms of relief from his or her obligations under a mortgage loan during any period of active military service. Such relief may reduce Revenues during such period.

OUTSTANDING BONDS AND INVESTMENT OBLIGATIONS

Bonds

UHC has heretofore issued the following Bonds under the General Indenture:

Series	Principal Amounts (\$)	
	Issued	Outstanding ²
2009 Series C-1 ¹	45,360,000	39,600,000
2009 Series C-2 ¹	14,640,000	12,870,000
2009 Series D ²	125,300,000	-
2009 Series D-1 ^{1,2}	-	39,730,000
2009 Series D-2 ^{1,2}	-	36,030,000
2009 Series D-3-1 ^{1,2}	-	14,390,000
2009 Series D-3-2 ^{1,2}	-	26,680,000
2010 Series A	28,000,000	24,135,000
2010 Series B-1	53,435,000	51,640,000
2010 Series B-2	7,925,000	2,070,000
2010 Series B-3	6,795,000	6,120,000
2011 Series A-1	16,905,000	14,010,000
2011 Series A-2	<u>12,725,000</u>	<u>10,825,000</u>
Total	<u>311,085,000</u>	<u>278,100,000</u>

¹ The 2009 Series C Program Bonds, consisting of \$19,580,000 aggregate principal amount of 2009 Series C-1 Bonds maturing on July 1, 2040, and 2009 Series C-2 Bonds, and the 2009 Series D-1 Bonds, 2009 Series D-3-1 Bonds and 2009 Series D-3-2 Bonds other than the Remaining 2009 Series D-3 Bonds constitute the Refunded Program Bonds to be refunded with proceeds of the 2013 Series E Bonds and excess Revenues.

² In connection with the issuance of the 2010 Series A Bonds on May 27, 2010, the 2010 Series B Bonds on October 26, 2010, and the 2011 Series A Bonds on February 17, 2011, portions of the 2009 Series D Bonds in the principal amounts of \$42,000,000, \$38,860,000 and \$44,440,000, respectively, were released and redesignated, reducing the outstanding principal amount of the 2009 Series D Bonds to \$0.

Such Bonds were issued (or released and converted) and are outstanding by Class in the following amounts:

Class	Principal Amounts (\$)	
	Issued (or Released and Converted) ¹	Outstanding ¹
Class I	267,520,000	241,220,000
Class II	24,140,000	22,625,000
Class III	<u>19,425,000</u>	<u>14,255,000</u>
Total	<u>311,085,000</u>	<u>278,100,000</u>

¹ Including 2009 Series D Bonds that have been redesignated to as to Class in connection with release and conversion.

Investment Obligations

Moneys deposited in various Funds and Accounts held under the Indenture are presently invested in a variety of Investment Obligations. All or a portion of the moneys deposited in the Debt Service Reserve Fund is expected to be invested in Qualified Mortgage Loan Mortgage Backed Securities; provided that under certain circumstances subsequent to the payment or liquidation of such securities, moneys held in such subaccount, if any, will be invested pursuant to the investment agreement, if any, relating to the Revenue Accounts or Float Funds for the respective series with the financial institution and at the rate per annum set forth above.

EXISTING MORTGAGE LOAN PORTFOLIO

General

The following table sets forth information with respect to the Existing Mortgage Loans as of March 31, 2013:

Series	Number of Beginning Mortgage Loans ¹	Beginning Principal Balance of Mortgage Loans ¹ (\$)	Number of Outstanding Mortgage Loans ¹	Outstanding Principal Balance of Mortgage Loans ¹ (\$)	Weighted Average Mortgage Note Rate	Weighted Average Months to Maturity
2009 Series C	374	59,255,609	303	45,166,919	5.00%	324
2010 Series A / 2009 Series D-1	477	69,263,681	405	55,804,924	4.94%	325
2010 Series B / 2009 Series D-2	723	105,584,975	598	83,210,478	4.70%	329
2011 Series A / 2009 Series D-3	527	73,171,644	430	57,095,278	5.06%	332
TOTALS ²	2101	307,275,909	1736	241,277,599		

¹ Including Mortgage Loans made or purchased in connection with the investment of amounts in the Debt Service Reserve Fund in Qualified Mortgage Loan Mortgage Backed Securities. See "APPENDIX A – Insurance, Guarantees and Foreclosure" for a description of the FHA single family mortgage insurance and VA guaranty programs.

² Totals may not add due to rounding.

Loan Insurance

The following table sets forth information with respect to the mortgage insurance maintained with respect to the Mortgage Loans as of March 31, 2013:

Insurance/Guaranty Provider	Number of Mortgage Loans ¹	Outstanding Principal Balance ¹ (\$)	Percentage of Total (No. of Loans) ²	Percentage of Total (Amount) ²
FHA	1727	\$240,067,192	99.48	99.5
VA	9	1,210,407	.52	.5
TOTAL ²	1736	\$241,277,599	100.00	100.00

¹ Including Mortgage Loans made or purchased or to be made or purchased in connection with the investment of amounts in the Debt Service Reserve Fund in Qualified Mortgage Loan Mortgage Backed Securities. See "APPENDIX A – Insurance, Guarantees and Foreclosure"

² Totals may not add due to rounding.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The Indenture, copies of which are available from UHC and the Trustee, contains various covenants and security provisions, some of which are summarized below.

Definitions of Certain Terms

“Act” means the Utah Housing Corporation Act, being Chapter 190, Laws of Utah, 1975, and codified as Title 35A, Chapter 8, Part 7, Utah Code Annotated 1953, as amended from time to time.

“Additional Bonds” means Bonds authenticated and delivered pursuant to the General Indenture (other than the initial Bonds).

“Aggregate Debt Service” means, for any particular period, Bonds, the Debt Service Payments becoming due and payable on all Payment Dates during such period with respect to such Bonds.

“Aggregate Principal Amount” means, as of any date of calculation, the principal amount or Accreted Value of the Bonds referred to.

“Amortized Value” means, when used with respect to an Investment Obligation purchased at a premium above or at a discount below par, the value as of any given date obtained by dividing the total amount of the premium or the discount at which such Investment Obligation was purchased by the number of days remaining to the first call date (if callable) or the maturity date (if not callable) of such Investment Obligations at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of an Investment Obligation purchased at a premium, by deducting the product thus obtained from the purchase price and (b) in the case of an Investment Obligation purchased at a discount, by adding the product thus obtained to the purchase price.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed from time to time by UHC.

“Bond Year” means, with respect to the 2013 Series E Bonds, the twelve-month period ending on the date specified by the 2013 Series E Indenture.

“Borrower” means the maker of, and any other party obligated on, a Mortgage Loan in connection with the acquisition or rehabilitation of Residential Housing.

“Business Day” means, except as set forth in a Series Indenture, any day (a) on which banks in the State of New York or in the cities in which the respective principal offices of the Paying Agent, the Bond Registrar and the Trustee are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open.

“Cash Flow Statement” means, with respect to any particular Bonds, a UHC Certificate (a) setting forth, for the then current and each future Bond Year during which such Bonds will be Outstanding, and taking into account (i) any such Bonds expected to be issued or redeemed or purchased for cancellation in each such Bond Year upon or in connection with the filing of such Certificate, (ii) the interest rate, purchase price, discount points and other terms of any Related Mortgage Loans, and (iii) the application, withdrawal or transfer of any moneys expected to be applied, withdrawn or transferred upon or in connection with the filing of such Certificate:

(A) the amount of Mortgage Repayments and Prepayments reasonably expected to be received by UHC in each such Bond Year from Related Mortgage Loans, together with Related Investment Revenues and other moneys (including without limitation moneys in any special escrows established with the Trustee) that are reasonably expected to be available to make Related Debt Service Payments and to pay Related Program Expenses; and

(B) the Aggregate Debt Service for each such Bond Year on all such Bonds reasonably expected to be Outstanding, together with the Related Program Expenses reasonably estimated for each such Bond Year;

and (b) showing that in each such Bond Year the aggregate of the amounts set forth in clause (a)(A) of this definition exceeds the aggregate of the amounts set forth in clause (a)(B) of this definition. Reference to a Cash Flow Statement with respect to a Series shall be taken to mean a Cash Flow Statement with respect to such Series and any other Series to which such Series has been linked for Cash Flow Statement purposes.

“Class I Bonds” means the Utah Housing Corporation Single Family Mortgage Class I Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

“Class I Sinking Fund Installment” means the amount designated for any particular due date in the Related Series Indenture for the retirement of Class I Bonds on an unconditional basis, less any amount credited pursuant to the General Indenture.

“Class II Bonds” means the Utah Housing Corporation Single Family Mortgage Class II Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

“Class II Sinking Fund Installment” means the amount designated for any particular due date for the retirement of Class II Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class II Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to the General Indenture.

“Class III Bonds” means the Utah Housing Corporation Single Family Mortgage Class III Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

“Class III Sinking Fund Installment” means the amount designated for any particular due date for the retirement of Class III Bonds, as set forth in the Related Series Indenture, which amount may be conditioned upon the transfer of sufficient moneys to the Class III Debt Service Fund, plus all such amounts specified for any prior date or dates, to the extent such amounts have not been paid or discharged, less any amounts credited pursuant to the General Indenture.

“Class IV Bonds” means the Utah Housing Corporation Single Family Mortgage Class IV Bonds authorized by, and at any time Outstanding pursuant to, the Indenture.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

“Costs of Issuance” means the items of expense payable or reimbursable directly or indirectly by UHC and other costs incurred by UHC, all Related to the authorization, sale and issuance of Bonds and the establishment of the Program, which costs and items of expense shall include, but not be limited to, underwriters’ compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software Related to the Bonds, filing and recording fees, travel expenses incurred by UHC in relation to such issuance of Bonds or for the Program, initial fees and charges of the Trustee, the Bond Registrar and the Paying Agent, initial premiums with respect to insurance required by the Indenture to be paid by UHC or by the Trustee, legal fees and charges, consultants’ fees, accountants’ fees, costs of bond ratings, and fees and charges for execution, transportation and safekeeping of the Bonds.

“Covenant Default” means an Event of Default described in clause (f) and (g) of the section “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default.”

“Debt Service Payment” means, when used with respect to any Payment Date, the sum of the (a) interest, if any, and (b) Principal Installments, if any, due and payable on such date with respect to the Bonds.

“Debt Service Reserve Fund Requirement” means, with respect to the 2013 Series E Bonds and as of each determination date, an amount equal to 5% of the Aggregate Principal Amount of 2013 Series E Bonds Outstanding and, with respect to any other Series of Bonds, the amount set forth in the Related Series Indenture.

“Defeasance Obligations” means Investment Obligations that (a) are described in clause (i) of the definition of “Investment Obligations” and (b) are not subject to redemption by the issuer thereof prior to their maturity.

“Depository” means any bank, trust company, or savings and loan association (including any Fiduciary) selected by UHC and approved by the Trustee as a depository of moneys, Mortgage Loans or Investment Obligations held under the provisions of the Indenture, and its successor or successors.

“Eligible Borrower” means a person or a family qualifying as a mortgagor for a Mortgage Loan under determinations made by UHC in accordance with the Act.

“Escrow Payment” means all payments made by or on behalf of the obligor of a Mortgage Loan in order to obtain or maintain mortgage insurance or guaranty coverage of, and fire and other hazard insurance with respect to, a Mortgage Loan, and any payments required to be made with respect to such Mortgage Loan for taxes, other governmental charges and other similar charges required to be escrowed under the Mortgage.

“Existing Market Bonds” means the 2009 Series C Market Bonds, the 2010 Series A Bonds and the 2011 Series A Bonds.

“FHA” means the Federal Housing Administration and any agency or instrumentality of the United States of America succeeding to the mortgage insurance functions thereof.

“Fiduciary” means the Trustee, the Bond Registrar, the Paying Agent or a Depository or any or all of them, as may be appropriate.

“Fiduciary Expenses” means the fees and expenses of Fiduciaries, except Servicing Fees payable to such Persons.

“General Obligation Bonds” means a Bond, the payment of principal of and interest on which is a General Obligation of UHC.

“General Obligations” means Bonds secured or additionally secured, as provided in the Related Series Indenture, by a pledge of general revenues or moneys of UHC legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof and subject to UHC’s right at any time to apply such revenues and moneys to any lawful purpose.

“GMI” means governmental mortgage insurance or guaranty issued by a Governmental Insurer and providing primary mortgage insurance or guaranty coverage of a Mortgage Loan in accordance with the requirements of the Related Series Indenture.

“Governmental Insurer” means FHA or VA.

“Indenture” means the General Indenture authorized, executed and issued by an Authorized Officer and any amendments or supplements made in accordance with its terms, including all Series Indentures.

“Interest Payment Date” means, for each Bond, any Payment Date upon which interest on such Bond is due and payable in accordance with the Related Series Indenture.

“Investment Obligations” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of UHC’s funds:

(i) Direct obligations of, or obligations which are guaranteed by the full faith and credit of, the United States of America;

(ii) Obligations, debentures, notes, collateralized mortgage obligations, mortgage backed securities or other evidence of indebtedness issued or guaranteed by any of the following: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Federal National Mortgage Association (excluding mortgage strip securities, principal strips valued greater than par and interest obligation strips); Farmers Home Administration; Federal Home Loan Mortgage Corporation (including participation certificates only if they guarantee timely payment of principal and interest); Government National Mortgage Association; Federal Financing Bank; or Federal Housing Administration;

(iii) Repurchase Agreements with Depositories, acting as principal or agent, for securities described in (i) and (ii) above (if such securities are delivered to the Trustee or are supported by a safe-keeping receipt issued by a qualified depository within the meaning of Section 51-7-3, Utah Code Annotated 1953, as amended) (A) rated by each nationally recognized rating agency then rating the Class I Bonds or Class II Bonds sufficiently high to maintain the then current rating on such Bonds by such rating agency or (B) collateralized in such manner to meet all requirements for collateralized repurchase agreements of each nationally recognized rating agency rating the Class I Bonds or Class II Bonds in order to maintain the then current rating on such Bonds by such rating agency;

(iv) Obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case, fully secured as to the payment of both principal and interest by requisition or payment agreement with the United States of America and having a rating from each nationally recognized rating agency then rating the Class I Bonds or Class II Bonds sufficiently high to maintain the then current rating on such Bonds by such rating agency;

(v) General obligations of Investment Providers under investment agreements approved in a Series Indenture or other investment agreements having substantially similar terms;

(vi) Units of a money market fund comprised solely of obligations guaranteed by the full faith and credit of the United States of America which fund is rated by each nationally recognized rating agency then rating the Class I Bonds or Class II Bonds sufficiently high to maintain the then current rating on such Bonds by such rating agency or is otherwise acceptable to each such rating agency in order to maintain the then current rating on such Bonds by such rating agency;

(vii) Certificates of deposit, interest-bearing time deposits, or other similar banking arrangements, including investment agreements, with a bank or banks (i) rated by each nationally recognized rating agency rating the Class I Bonds or Class II Bonds sufficiently high to maintain the then current rating on such Bonds by such rating agency or (ii) collateralized in such manner to meet all requirements for collateralized agreements of each nationally recognized rating agency rating the Class I Bonds or Class II Bonds in order to maintain the then current rating on such Bonds by such rating agency; and

(viii) Units of a money market or mutual fund or any other investment which has a rating from each nationally recognized rating agency then rating the Class I Bonds or Class II Bonds sufficiently high to maintain the then current rating on such Bonds by such rating agency or is otherwise acceptable to each such rating agency in order to maintain the then current rating on such Bonds by such rating agency.

“Investment Providers” means any commercial bank or trust company, bank holding company, investment company or other entity (which may include the Trustee, the Bond Registrar or the Paying Agent), whose credit rating (or the equivalent of such rating by virtue of guarantees or insurance arrangements) by each nationally recognized rating agency then rating the Class I Bonds or Class II Bonds is sufficiently high to maintain the then current rating on such Bonds by such rating agency or is otherwise acceptable to each such rating agency in order to maintain the then current rating on such Bonds by such rating agency, which Investment Providers shall be approved by UHC for the purpose of providing investment agreements.

“Investment Revenues” means amounts earned on investments (other than Mortgage Loans) credited to any Fund or Account pursuant to the Indenture (including gains upon the sale or disposition of such investments) except the Rebate Requirement.

“Lenders” means banks, trust companies, savings and loan associations, mortgage bankers and other financial institutions authorized to transact business in the State and deemed eligible by UHC to participate as sellers of Mortgage Loans to UHC or to service Mortgage Loans for UHC, or UHC to the extent permitted by law.

“Low or Moderate Income Persons” means persons irrespective of race, religion, creed, national origin or sex, determined by UHC from time to time to be eligible for such assistance as is made available by the Act on account of insufficient personal or family income.

“Market Bonds” means serial bonds and/or term bonds sold by UHC to public or private investors in accordance with standard bond underwriting practices and that are issued under the Indenture in order to satisfy the conditions to the release of proceeds of some or all of the Program Bonds.

“Mortgage” means a deed of trust, mortgage or similar instrument securing a Mortgage Loan and creating a lien, subject to encumbrances permitted by UHC on real property improved by Residential Housing.

“Mortgage Loan” means a loan which is (a) secured by a Mortgage, (b) made in connection with the purchase or rehabilitation of Residential Housing and (c) allocated to a Fund or Account established pursuant to the General Indenture.

“Mortgage Repayments” means, with respect to any Mortgage Loan, the amounts received by or for the account of UHC as scheduled payments of principal and interest on such Mortgage Loan by or on behalf of the Borrower to or for the account of UHC and does not include Prepayments, Servicing Fees or Escrow Payments.

“Mortgage Revenues” means all Revenues other than Investment Revenues.

“Outstanding” means, when used with respect to all Bonds as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

(a) any Bond cancelled or delivered to the Bond Registrar for cancellation on or before such date;

(b) any Bond (or any portion thereof) (i) for the payment or redemption of which there shall be held in trust under the Indenture and set aside for such payment or redemption, moneys and/or Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than such maturity or redemption date which, together with income to be earned on such Defeasance Obligations prior to such maturity or redemption date, will be sufficient to pay the principal or Redemption Price thereof, as the case may be, together with interest thereon to the date of maturity or redemption, and (ii) in the case of any such Bond (or any portion thereof) to be redeemed prior to maturity, notice of the redemption of which shall have been given in accordance with the Indenture or provided for in a manner satisfactory to the Bond Registrar;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture; and

(d) any Bond deemed to have been paid as provided in the General Indenture.

“Payment Date” means for each Bond, each date on which interest or a Principal Installment or both are payable on such Bond; and, unless limited, means all such dates.

“Person” means an individual, partnership, corporation, trust or unincorporated organization or a government or any agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

“Prepayment” means any moneys received or recovered by or for the account of UHC from any unscheduled payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any Mortgage Loan prior to the scheduled payments of principal called for by such Mortgage Loan, whether (a) by voluntary prepayment made by the Borrower or (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof or (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by UHC or (d) in the event of a default thereon by the Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by UHC or by any other proceedings taken by UHC.

“Principal Installment” means, as of any date of calculation, and for any Payment Date, (a) the principal amount or Accreted Value of all Bonds due and payable on such date, plus (b) any Class I, Class II, Class III, and Class IV Sinking Fund Installments due and payable on such date.

“Prior Bonds” means the 2009 Series C Bonds, the 2010A/2009D-1 Bonds and the 2011A/2009D-3 Bonds.

“Program” means UHC’s Single Family Mortgage Program pursuant to which UHC has determined to make and purchase Mortgage Loans in accordance with the Act and the Rules and the Indenture.

“Program Bonds” means, with respect to a Series of Bonds, the Related Bonds, if any, specified as such in the Related Series Indenture.

“Program Expenses” means all UHC’s expenses of administering the Program under the Indenture and the Act and shall include without limiting the generality of the foregoing; salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, including information processing equipment; software, insurance premiums, credit enhancement fees, legal, accounting, management, consulting and banking services and expenses; Fiduciary Expenses; remarketing fees; Costs of Issuance not paid from proceeds of Bonds; and payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by UHC.

“PSA Experience” means the prepayment rate on a cumulative basis set forth for thirty-year mortgage loans in the Bond Market Association (formerly the Public Securities Association) prepayment standard or model, which assumes an increasingly larger percentage of the mortgage loans prepaying each month for the first 30 months of the mortgage lives and then assumes a constant prepayment rate of six percent (6%) of the unpaid principal balance for the remaining life of each of the mortgage loans.

“Qualified Mortgage Loan Mortgage Backed Securities” means Investment Obligations which constitute collateralized mortgage obligations issued by the Federal National Mortgage Association or the Government National Mortgage Association, the underlying mortgages of which would constitute Mortgage Loans for purposes of the Indenture if acquired by the Trustee from moneys in the Acquisition Account.

“Rating Agency” means Moody’s Investors Service, Inc., Fitch Ratings and/or Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“Rebate Requirement” means the amount of arbitrage profits earned from the investment of gross proceeds of Tax-exempt Bonds in nonpurpose investments described in Section 148(f)(2) of the Code and defined as “Rebate Amount” in Section 1.148-3 of the Treasury Regulations, which is payable to the United States at the times and in the amounts specified in such provisions.

“Record Date,” means, except as otherwise provided in a Series Indenture (i) with respect to each Payment Date, the Bond Registrar’s close of business on the fifteenth day of the month immediately preceding such Payment Date or, if such date is not a Business Day, the next preceding day which is a Business Day; and (ii) in the case of each redemption, such Record Date shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than fifteen (15) calendar days before the mailing of such notice of redemption.

“Redemption Price” means, when used with respect to a Bond or portion thereof to be redeemed, the principal amount or Accreted Value of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof as determined by the Series Indenture authorizing the Series of Bonds.

“Related” (whether capitalized or not) means, with respect to any particular Bond, Class, Series, Series Indenture, Supplemental Indenture, Cash Flow Statement, Fund, Account, Mortgage Loan, Mortgage Repayment or Prepayment, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

“Remaining Bonds” means with respect to each Series of Existing Market Bonds, the Outstanding principal amount of Existing Market Bonds of such Series (plus, with respect to the 2011A/2009D-3 Bonds, the Remaining 2009 Series D-3 Bonds).

“Remaining 2009 Series D-3 Bonds” means the Outstanding 2009 Series D-3-2 Bonds not refunded with proceeds of the 2013 Series E Bonds or other Revenues.

“Representation Letter” means the representation letter from UHC to DTC.

“Residential Housing” or “Residence” means a residential dwelling located within the State that qualifies for financing by UHC within the meaning of the Act and the Rules.

“Revenues” means (a) all Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (b) Investment Revenues, and (c) all other payments and receipts received by UHC with respect to Mortgage Loans, but shall not include (i) Escrow Payments, (ii) Servicing Fees, unless such fees are specifically pledged to the Trustee, (iii) any commitment, reservation, extension, or application fees charged by UHC in connection with a Mortgage Loan or Mortgage Purchase Agreement, (iv) any commitment, reservation, extension or application fees charged by a Lender in connection with a Mortgage Loan or (v) accrued interest received in connection with the purchase of any Investment Obligations.

“Rules” means the rules adopted by UHC pursuant to the Act governing the activities authorized by the Act to carry into effect the powers and purposes of UHC and the conduct of its business, as the same may be amended and supplemented from time to time.

“Series” means and refers to all of the Bonds designated as such in the Related Series Indenture, regardless of variations in Class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to the General Indenture and a Related Series Indenture.

“Servicing Fees” means (a) any fees paid to or retained by a Lender in connection with the servicing obligations undertaken by the Lender in accordance with the Related Mortgage Purchase Agreement and (b) any fees retained by or expenses reimbursed to UHC with respect to Mortgage Loans serviced by UHC.

“Supplemental Indenture” means any supplemental indenture (including a Series Indenture) approved by UHC in accordance with the General Indenture amending or supplementing the Indenture.

“Tax-exempt Bonds” means Bonds the interest on which is intended to be excluded from gross income of the owner thereof for federal income tax purposes.

“Tax-exempt Status” means the exclusion of interest on Tax-exempt Bonds from the gross income of the recipient thereof for federal income tax purposes.

“UHC” means Utah Housing Corporation, created pursuant to the Act, and any successor to the rights, duties and obligations of UHC under the Indenture and under the Act, acting in any capacity other than that of a Lender.

“UHC Certificate” means, as the case may be, a document signed by the Chair, Vice Chair, President or an authorized officer of UHC either (a) attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (b) setting forth matters to be determined by such authorized officer pursuant to the Indenture.

“UHC Request” means a written request or direction of UHC signed by an authorized officer of UHC.

“Uninsured” means a Mortgage Loan that is not insured by FHA or any other insurer or guaranteed by VA or any other guarantor.

“Unrelated” (whether capitalized or not) means not “Related”, within the meaning of that term.

“VA” means the Department of Veterans Affairs and any agency or instrumentality of the United States of America succeeding to the mortgage guaranty functions thereof.

“2009 Series C Bonds” means Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series C.

“2009 Series C Market Bonds” means the Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series C-1 Bonds other than those maturing on July 1, 2040.

“2009 Series C Program Bonds” means the Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series C-1 Bonds maturing on July 1, 2040 and Utah Housing Corporation Single Family Mortgage Bonds, 2009 Series C-2 Bonds.

“2010 Series A Bonds” means Utah Housing Corporation Single Family Mortgage Bonds, 2010 Series A.

“2011 Series A Bonds” means Utah Housing Corporation Single Family Mortgage Bonds, 2011 Series A.

“2013E Program Bond Share” means, in relation to any Series of Prior Bonds, that portion of the 2013 Series E Bonds applied to refund the Refunded Program Bonds of such Series of Prior Bonds (including a proportionate share of 2013 Series E Bonds the proceeds of which were applied to pay costs of issuance) upon original issuance of the 2013 Series E Bonds, less any amount of such portion of 2013 Series E Bonds paid or redeemed from Revenues and other amounts allocated thereto pursuant to the terms of the 2013E UHC Request and the Related Supplemental Indenture.

“2013 Series E Class I Asset Requirement” means the requirement that, as of any date of calculation, the sum of (a) amounts held in the 2013 Series E subaccount of the Class I Debt Service Fund (to the extent such amounts are required to be used to pay principal of the 2013 Series E Bonds), the 2013 Series E subaccounts of the Redemption Fund (to the extent such amounts are required to be used to redeem 2013 Series E Bonds) and the 2013 Series E subaccount of the Debt Service Reserve Fund (including the 2013 Series E subaccount of the Interest Reserve Account), and (b) the aggregate unpaid principal balance of Mortgage Loans Related to the 2013 Series E Bonds, be at least equal to a percentage (which percentage is equal to the weighted average of the Class I Asset Requirements for the Prior Bonds) of the aggregate principal amount of 2013 Series E Class I Bonds then Outstanding.

Funds and Accounts Established by the Indenture

The Indenture establishes the following Funds and Accounts to be held by the Trustee for application in accordance with the Indenture:

- (a) the Program Fund, consisting of:
 - (i) the Acquisition Account
 - (ii) the Short Term Bond Account; and
 - (iii) the Cost of Issuance Account;

- (b) the Revenue Fund, consisting of:
 - (i) the Revenue Account; and
 - (ii) the Rebate Account;
- (c) the Debt Service Reserve Fund, which shall include the Interest Reserve Account;
- (d) the Class I Debt Service Fund which may include an UHC Payment Account;
- (e) the Class II Debt Service Fund which may include an UHC Payment Account;
- (f) the Class III Debt Service Fund which may include an UHC Payment Account;
- (g) the Class IV Debt Service Fund which may include an UHC Payment Account; and
- (h) the Redemption Fund, consisting of:
 - (i) the Class I Special Redemption Account;
 - (ii) the Class II Special Redemption Account;
 - (iii) the Class III Special Redemption Account; and
 - (iv) the Class IV Special Redemption Account.

Subaccounts shall be created in some or all funds and accounts described in the General Indenture for each Series of Bonds as necessary. Except as otherwise provided in the General Indenture or in a Series Indenture, bond proceeds and other moneys relating to a Series of Bonds shall be deposited in the Related subaccounts created with respect to such Series of Bonds.

UHC may reallocate moneys, investments and Mortgage Loans among Series under any of the following circumstances:

- (a) if and to the extent required by the General Indenture;
- (b) if and to the extent necessary to enable UHC to deliver a Cash Flow Statement with respect to one or more Series;
- (c) in connection with an UHC Request filed pursuant to the Indenture; and
- (d) if and to the extent that the aggregate amount of moneys, investments and Mortgage Loans allocated to any particular Series exceeds the aggregate amount of Outstanding Bonds of such Series.

If UHC determines to make such a reallocation of moneys, investments and Mortgage Loans among Series, UHC shall deliver to the Trustee an UHC Request specifying such reallocations. Upon receipt of such request, the Trustee shall transfer moneys, investments and/or Mortgage Loans (or portions thereof or interests therein) among subaccounts Related to each Series as requested. Mortgage Loans reallocated among Series are not required to meet the requirements of the Series Indenture Related to the Series to which such Mortgage Loans are being reallocated, if such Mortgage Loans at the time of their original acquisition by UHC met the requirements of the General Indenture and the applicable requirements of the Series Indenture Related to such Mortgage Loans at the time of their purchase.

Special temporary accounts in the Program Fund and the Debt Service Reserve Fund may be created and established to facilitate the refunding of UHC's bonds and any exchange of funds related thereto.

Cost of Issuance Account

Upon the issuance, sale and delivery of Bonds, certain moneys as specified in the Related Series Indenture shall be deposited in the Cost of Issuance Account. Moneys in such Account shall be used to pay Costs of Issuance

and for no other purpose except that any excess remaining upon payment of all Costs of Issuance shall be transferred by the Trustee to UHC or to the Related subaccount in the Acquisition Account.

In the event that the moneys deposited in the Cost of Issuance Account are not sufficient to pay all Costs of Issuance, Costs of Issuance may be paid from any available moneys of UHC.

Revenue Fund

UHC shall pay all Revenues or cause all Revenues to be paid to the Trustee promptly upon their receipt and, in any event, at least once each month. Except as otherwise provided in the General Indenture or in a Series Indenture, all Revenues and the Rebate Requirement shall be deposited by the Trustee in the Related subaccounts of the Revenue Fund as follows:

- (i) for credit to the Related subaccount of the Revenue Account, all Revenues Related to each Series of Bonds; and
- (ii) for credit to the Related subaccount of the Rebate Account, at the times directed by UHC, the Rebate Requirement Related to the Tax-exempt Bonds of each Series.

There may also be deposited in the Revenue Fund, at the option of UHC, any other moneys of UHC, unless required to be otherwise applied as provided by the Indenture.

Promptly upon receipt of interest on a Mortgage Loan with respect to which moneys were withdrawn from the Acquisition Account to pay for interest accrued on such Mortgage Loan at the time of purchase from a Lender, the Trustee shall withdraw from the Related subaccount of the Revenue Account and transfer to the Related subaccount of the Acquisition Account an amount equal to such accrued interest paid. Alternatively, accrued interest on Mortgage Loans at the time of purchase may be paid from the Related subaccount of the Revenue Account as UHC shall direct in an UHC Request.

The Trustee shall pay or transfer from the Related subaccount of the Revenue Account (i) directly to the Fiduciaries, all Fiduciary Expenses, when and as payable and (ii) to UHC or to its order reasonable and necessary Program Expenses, respectively, only to the extent, if any, provided in the following paragraphs.

On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, the Trustee shall withdraw from each subaccount of the Revenue Account and deposit into the Related subaccounts of the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) Into the Related subaccount of the Class I Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class I Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on the Outstanding Related Class I Bonds on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class I Serial Bonds, such transfer shall include an amount equal to one-half the amount of Principal Installments becoming due and payable on Outstanding Related Class I Serial Bonds on the next following Payment Date;

(B) Into each Unrelated subaccount of the Class I Debt Service Fund, after making any transfer into such subaccount required by the General Indenture, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (A) as of such date;

(C) Into the Related subaccount of the Class I Special Redemption Account, the amount, if any, needed to ensure that the Class I Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(D) Into each Unrelated subaccount of the Class I Special Redemption Account, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (C) as of such date;

(E) Into the Related subaccount of the Class II Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of interest becoming due and payable on such Payment Date upon all Class II Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments becoming due and payable on Outstanding Related Class II Bonds on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class II Serial Bonds, such transfer shall include an amount equal to one-half the amount of Principal Installments becoming due and payable on Outstanding Related Class II Serial Bonds on the next following Payment Date;

(F) Into each Unrelated subaccount of the Class II Debt Service Fund, after making any transfer into such subaccount required by the General Indenture, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (E) as of such date;

(G) Into the Related subaccount of the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in such subaccount (including the Related Interest Reserve Account) to the Debt Service Reserve Fund Requirement of the Related Series of Bonds;

(H) Into each Unrelated subaccount of the Debt Service Reserve Fund, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of Related Revenues sufficient to make the deposit required by subsection (G) as of such date;

(I) Into the Related subaccount of the Class II Special Redemption Account, the amount, if any, needed to ensure that the Class II Asset Requirement of the Related Series of Bonds will be met on such Payment Date following such transfer;

(J) Into each Unrelated subaccount of the Class II Special Redemption Account, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (I) as of such date;

(K) To UHC, the amount of any reasonable and necessary Fiduciary Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to UHC or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries or to UHC under this subsection (K) in any Bond Year exceed any limitation set forth in the Related Series Indenture;

(L) To UHC, the amount of any reasonable and necessary Fiduciary Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by UHC Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (K) as of such date;

(M) Into the Related subaccount of the Class III Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and

payable on such Payment Date upon all Class III Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class III Bonds on such Payment Date; provided however, that if such Payment Date is not a date for the payment of a Principal Installment on Related Class III Serial Bonds, such transfer shall include an amount equal to one-half the amount of Principal Installments becoming due and payable on Outstanding Related Class III Serial Bonds on the next following Payment Date;

(N) Into each Unrelated subaccount of the Class III Debt Service Fund, after making any transfer required into such subaccount required by the General Indenture, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccount resulting from the lack of moneys sufficient to make the deposit required by subsection (M) as of such date;

(O) To UHC, the amount of any reasonable and necessary Program Expenses with respect to the Related Series of Bonds previously incurred but not reimbursed to UHC or reasonably anticipated to be payable in the following six months; provided, however, that in no event shall the aggregate of such amounts paid to UHC, plus amounts paid to UHC with respect to such Series of Bonds pursuant to subsections (K) and (L) above and plus all Fiduciary Expenses with respect to the Related Series of Bonds paid directly to Fiduciaries exceed any limitations set forth in the Related Series Indenture;

(P) To UHC, the amount of any reasonable and necessary Program Expenses with respect to Unrelated Series of Bonds, on a proportionate basis with all other Unrelated Series of Bonds or as otherwise directed by UHC Request, any deficiency resulting from the lack of moneys sufficient to make the deposit required by subsection (O) as of such date;

(Q) Into the Related subaccounts of the Redemption Fund, the amount, if any, necessary to satisfy the Class III Asset Requirement of the Related Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer, which amount shall be allocated to the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amounts Outstanding of the Related Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all Related Class I, Class II and Class III Bonds Outstanding;

(R) Into each Unrelated subaccount of the Redemption Fund, on a proportionate basis with all other Unrelated such subaccounts or as otherwise directed by UHC Request, the additional amount, if any, necessary (after the deposits required by subsection (Q) for the Related Series of Bonds) to satisfy the Class III Asset Requirement of such Unrelated Series of Bonds, calculated as of such next succeeding Payment Date and giving effect to such transfer, which amount shall be allocated to the applicable subaccount of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account on the basis of the relative ratios represented by the Aggregate Principal Amount Outstanding of the applicable Class I Bonds, Class II Bonds and Class III Bonds, respectively, to the Aggregate Principal Amount of all applicable Class I, Class II, and Class III Bonds Outstanding (for purposes of this subsection (R), “applicable” means Related to such Unrelated Series);

(S) Into the Related subaccount of the Class IV Debt Service Fund (x) the amount, if any, needed to increase the amount in such subaccount to the aggregate amount of interest becoming due and payable on such Payment Date upon all Class IV Bonds of the Related Series then Outstanding; plus (y) the amount, if any, needed to increase the amount in such subaccount to include the aggregate amount of Principal Installments required to be paid for the Outstanding Related Class IV Bonds on such Payment Date; and

(T) Into each Unrelated subaccount of the Class IV Debt Service Fund, after making the transfer into such subaccount required by the General Indenture, on a proportionate basis with all other

Unrelated such subaccounts or as otherwise directed by UHC Request, any deficiency in such subaccounts resulting from the lack of moneys sufficient to make the deposit required by subsection (S) as of such date.

UHC may direct the Trustee to make any of the above transfers more frequently than on Payment Dates, in amounts proportionate to the frequency of transfers so directed.

Following such transfers, the balance, if any, in each subaccount of the Revenue Account, or such lesser amount thereof as shall be requested by UHC shall be paid to UHC for the payment of Program Expenses or for any other purposes free and clear of the lien and pledge of the Indenture upon receipt of an UHC Request made within 30 days of such Payment Date. Any amount in each subaccount of the Revenue Account not so paid to UHC shall be transferred to the Related subaccounts of the Redemption Fund and allocated among the Related subaccounts of the Class I Special Redemption Account, the Class II Special Redemption Account and the Class III Special Redemption Account as provided in the Related Series Indenture.

Prior to, but as close as practicable to, the latest date on which the Trustee would be permitted to give notice of a redemption to occur on a Payment Date from amounts deposited in the Redemption Fund, the Trustee shall calculate the amounts then on deposit in each subaccount of the Revenue Account which would be transferred to the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund and the Class IV Debt Service Fund, and the Related subaccounts of the Redemption Fund, in accordance with the priorities and provisions of such subsection. Such amounts may be withdrawn from such subaccount of the Revenue Account for application on or prior to the next succeeding Payment Date (A) upon receipt of an UHC Request, to the purchase in lieu of redemption of the Related Class I Bonds, Class II Bonds, Class III Bonds or Class IV Bonds, (B) to the payment of accrued interest on Bonds being purchased pursuant to or redeemed pursuant to the Indenture, or (C) to the redemption of Related Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds on such Payment Date.

In the event Bonds are to be redeemed on a date other than a Payment Date, and to the extent moneys are not available in the Related subaccounts of the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund or the Class IV Debt Service Fund to pay accrued interest on such redemption date for such Class I Bonds, Class II Bonds, Class III Bonds and Class IV Bonds, respectively, the Trustee shall apply or cause the Paying Agent to apply available moneys in the Related subaccount of the Revenue Account for the payment of such interest.

Class I Debt Service Fund

Amounts in each subaccount of the Class I Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying the interest and Principal Installments on the Related Class I Bonds as the same shall become due and payable (including accrued interest on any Class I Bonds purchased or redeemed prior to maturity pursuant to the Indenture), or (ii) on each purchase date for the purpose of paying the purchase price of Related Class I Bonds purchased in lieu of redemption by Related Class I Sinking Fund Installments.

Amounts remaining in each subaccount of the Class I Debt Service Fund after all the Related Class I Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Account.

Debt Service Reserve Fund

Upon the issuance, sale and delivery of a Series of Bonds pursuant to the Indenture, the Trustee shall deposit in the Related subaccount of the Debt Service Reserve Fund and in the Related subaccount of the Interest Reserve Account therein such amounts, if any, as shall be required by the provisions of the Related Series Indenture, which aggregate amount shall be at least sufficient to equal the Debt Service Reserve Fund Requirement relating to such Series of Bonds, calculated after giving effect to the issuance of such Bonds. Moneys on deposit in the Related subaccount of the Interest Reserve Account shall at all times be deemed to be a part of the Related subaccount of the Debt Service Reserve Fund. Additional moneys may be deposited in the Related subaccount of the Debt Service

Reserve Fund in accordance with the provision relating to the allocation of moneys in the Revenue Account described under “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund.”

On or prior to each Payment Date, the Trustee shall calculate the amount of the Debt Service Reserve Fund Requirement for each Series of Bonds as of the next succeeding Payment Date and shall determine the amount, if any, which would then be in the Related subaccount of the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest purchased on Investment Obligations) is in excess of such Requirement, shall notify UHC of such excess amount and shall, unless otherwise instructed by an UHC Request, transfer such excess amount from the Related subaccount of the Debt Service Reserve Fund, other than the Related subaccount of the Interest Reserve Account therein, to the Related subaccount of the Revenue Account; provided, however, that if such excess is attributable to amounts invested in Qualified Mortgage Loan Mortgage Backed Securities, such excess may, at the option of UHC, be retained in the Debt Service Reserve Fund. The transfer of such amounts may result in the redemption of Bonds.

On the last Business Day prior to each Payment Date or more frequently if required by a Series Indenture, and in each case in conjunction with the transfers, deposits and payments to be made from the Revenue Fund, the Trustee shall transfer from each subaccount of the Debt Service Reserve Fund (including from the Interest Reserve Account as provided below) to the specified subaccounts of other Funds or Accounts the following amounts, in the following order of priority, the requirements of each such transfer to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(a) In the event that the amount transferred to any subaccount of the Class I Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Bonds on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(b) In the event that the amount transferred to a subaccount of the Class I Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class I Bonds on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by UHC Request, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from subaccounts of the Debt Service Reserve Fund, to such subaccount of the Class I Debt Service Fund the amount of such insufficiency.

(c) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Bonds on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account, and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund the amount of such insufficiency.

(d) In the event that the amount transferred to any subaccount of the Class II Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class II Bonds on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund, on a proportionate basis or as otherwise directed by UHC Request, first from subaccounts of the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class II Debt Service Fund, the amount of such insufficiency.

(e) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Bonds on the next succeeding Payment Date, the Trustee shall transfer first from the Related subaccount of the Interest Reserve Account and then if and to the extent necessary from the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class III Debt Service

Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(f) In the event that the amount transferred to any subaccount of the Class III Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class III Bonds on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by UHC Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund, to such subaccount of the Class III Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class II Asset Requirement.

(g) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class IV Bonds on the next succeeding Payment Date, the Trustee shall transfer from first the Related subaccount of the Interest Reserve Account and then if and to the extent necessary the Related subaccount of the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in the Related subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

(h) In the event that the amount transferred to any subaccount of the Class IV Debt Service Fund is insufficient to pay the interest and Principal Installments, if any, and other amounts, if any, due on Related Class IV Bonds on the next succeeding Payment Date, the Trustee shall transfer from Unrelated subaccounts in the Debt Service Reserve Fund on a proportionate basis or as otherwise directed by UHC Request, first from subaccounts in the Interest Reserve Account, and then if and to the extent necessary from subaccounts in the Debt Service Reserve Fund to such subaccount of the Class IV Debt Service Fund the amount of such insufficiency; provided, however, that no such transfer may result in (A) the amount on deposit in a subaccount of the Debt Service Reserve Fund being reduced to an amount less than any minimum deposit specified in the Related Series Indenture or (B) a failure to meet the Related Class III Asset Requirement.

Class II Debt Service Fund

Amounts in each subaccount of the Class II Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class II Bonds as the same become due and payable (including accrued interest on any such Class II Bonds redeemed or purchased prior to maturity pursuant to the Indenture), or (ii) on each purchase date for the purpose of paying the purchase price of Related Class II Bonds purchased in lieu of redemption by Class II Sinking Fund Installments.

Amounts remaining in each subaccount of the Class II Debt Service Fund after all the Related Class II Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Account.

Class III Debt Service Fund

Amounts in each subaccount of the Class III Debt Service Fund shall be used and withdrawn by the Trustee for transfer to the Paying Agent (i) on each Payment Date for the purpose of paying first the interest and then Principal Installments on the Related Class III Bonds as the same become due and payable (including accrued interest on any such Class III Bonds redeemed or purchased prior to maturity pursuant to the Indenture), or (ii) on

each purchase date for the purpose of paying the purchase price of Related Class III Bonds purchased in lieu of redemption by Class III Sinking Fund Installments.

Amounts remaining in each subaccount of the Class III Debt Service Fund after all the Related Class III Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Related subaccount of the Revenue Account.

Application of UHC Payment Accounts

If, following transfers made from the Revenue Fund and the Debt Service Reserve Fund, there are not sufficient moneys, or any moneys allocated, to pay all interest or any other required payment due and payable on any General Obligations or to pay Principal Installments on any General Obligations at maturity, the Trustee shall immediately notify UHC in writing of the amount of such insufficiency and shall request from UHC an immediate deposit of legally available funds equal to such insufficiency. UHC shall pay to the Trustee (from UHC's other general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof) for deposit in the Related subaccounts of the UHC Payment Account the amount of such insufficiency. If the amount provided by UHC is less than the amount of such insufficiency, any shortfall shall be allocated pro rata among the holders of the Related General Obligations in proportion to the amounts then due and payable on such Bonds.

Amounts deposited with the Trustee by UHC as described above shall be deposited into the respective subaccounts of the UHC Payment Accounts for the General Obligations for which such amounts are provided. Amounts in such subaccounts shall only be used to pay interest or Principal Installments or other amounts due and payable on the Related General Obligations and may not be transferred to any Debt Service Fund for Bonds which are not General Obligations or to any other Fund or Account for any reason.

Redemption Fund

Moneys deposited in the subaccounts of the Redemption Fund shall be applied by the Trustee to the purchase or applied by the Paying Agent (if directed by the Trustee) to the redemption of Bonds in accordance with the provisions of the General Indenture and each Related Series Indenture.

Except as set forth in the General Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class I Special Redemption Account pursuant to the General Indenture or pursuant to the Related Series Indenture, shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class I Bonds. Any amounts remaining in such Class I Special Redemption Account after all Class I Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Account.

Except as set forth in the General Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class II Special Redemption Account pursuant to the General Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class II Bonds. Any amounts remaining in such Class II Special Redemption Account after all Class II Bonds of the Related Series have been paid shall be transferred to the Related subaccount of the Revenue Account. Notwithstanding the foregoing, moneys deposited in a subaccount of the Class II Special Redemption Account shall be applied to redeem Related Class I Bonds to the extent necessary, after application of amounts in the Related Class III Special Redemption Account, to satisfy the Related Program Bond Redemption Requirement.

Except as set forth in the General Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class III Special Redemption Account pursuant to the General Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class III Bonds. Any amounts remaining in such Class III Special Redemption Account after all Class III Bonds of the Related Series have been paid shall be transferred to the Revenue Account. Notwithstanding the foregoing, moneys deposited in a subaccount of the Class III Special Redemption Account shall be applied to redeem Related Class I Bonds to the extent necessary to satisfy the Related Program Bond Redemption Requirement.

Except as set forth in the General Indenture or in the Related Series Indenture, moneys deposited in a subaccount of the Class IV Special Redemption Account pursuant to the General Indenture or pursuant to the Related Series Indenture shall be applied to the extent practicable by the Paying Agent on the earliest practicable date to redeem Related Class IV Bonds. Any amounts remaining in such Class IV Special Redemption Account after all Class IV Bonds of the Related Series have been paid shall be transferred to the Revenue Account.

Investment of Moneys Held by the Trustee; Limitation on Investment Yields

Moneys in all Funds and Accounts held by the Trustee shall be invested to the fullest extent possible in Investment Obligations, in accordance with directions given to the Trustee in an UHC Request or Certificate; provided that the maturity date or the date on which such Investment Obligations may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes of the Indenture.

Amounts credited to any Fund or Account may be invested, together with amounts credited to one or more other Funds or Accounts, in the same Investment Obligation or Investment Obligations, provided that each such investment complies in all respects with the provisions of the General Indenture as they apply to each Fund or Account for which the joint investment is made, the Trustee maintains separate records for each Fund and Account and such investments are accurately reflected therein and amounts credited to the Rebate Account may be invested together with amounts credited to any other Fund or Account. The maturity date or the date on which Investment Obligations may be redeemed at the option of holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the Funds or Accounts for which the investments were made will be required for the purposes provided in the Indenture.

Except as otherwise specifically provided for in the Indenture, the income or interest earned by, or gain to, all Funds and Accounts due to the investment thereof shall be transferred by the Trustee upon receipt thereof to the Related subaccount of the Revenue Account, in accordance with the Indenture, except that no such transfer shall be made from, and such income, interest or gain (as described above) shall be retained in, the Debt Service Reserve Fund, unless after giving effect to the transfer the amount therein at least equals the aggregate Debt Service Reserve Fund Requirement.

Program Covenants; Enforcement of Mortgage Loans

UHC covenants in the Indenture that:

(a) It shall use and apply the proceeds of the Bonds and other moneys deposited in the Acquisition Account, to the extent not reasonably required for other Program purposes of UHC, to make or purchase Mortgage Loans, and consistent with sound banking practices and principles shall do all such acts and things necessary to receive and collect Revenues and shall diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of UHC for the enforcement of all terms, covenants and conditions of Mortgage Loans.

(b) It shall file with the Trustee with each direction to purchase Mortgage Loans, a schedule of Mortgage Loans to be made or purchased by the Trustee identifying the same by reference to UHC loan number, the party from whom the Mortgage Loan will be purchased, the principal amount due on the Mortgage Loan and the date through which the interest has been paid by the Borrower and the interest rate on the Mortgage Loan.

(c) It shall maintain an account for each Lender having entered into a Mortgage Purchase Agreement with UHC and shall record therein a description of each Mortgage Loan purchased from such Lender.

(d) The terms of each Mortgage Purchase Agreement shall be reasonably designed to assure that each Mortgage Loan purchased by UHC pursuant thereto or serviced thereunder meets applicable

requirements, if any, under Section 143 of the Code as in effect or as otherwise applicable with respect to such Mortgage Loan.

(e) It shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Mortgage Loans consistent with sound banking practices and principles and applicable requirements under Section 143 of the Code, including the prompt payment of all Mortgage Repayments and all other amounts due UHC thereunder. UHC shall not without good cause release the obligations of any Borrower under any Mortgage Loan and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the rights and privileges of UHC, the Trustee and the Bondholders under or with respect to all Mortgage Loans, the obligations evidencing such Mortgage Loans and the agreements securing such Mortgage Loans; provided, however, that nothing in this subparagraph (e) or in subparagraph (f) or (g) below shall be construed to prevent UHC from (i) settling a default on any Mortgage Loan on such terms as UHC shall determine to be in the best interests of UHC and the Bondholders, or (ii) releasing any Borrower from, or waiving, any of such Borrower's obligations under the respective Mortgage Loan to the extent necessary to comply with the applicable provisions of the Code.

(f) Whenever it shall be necessary in order to protect and enforce the rights of UHC under a Mortgage Loan and to protect and enforce the rights and interests of the Trustee and Bondholders under the Indenture, UHC shall take necessary actions to realize on any applicable mortgage insurance on such Mortgage Loan and to collect, sell or otherwise dispose of the property secured by the Mortgage and, if UHC deems such to be advisable, shall bid for and purchase the property secured by the Mortgage at any sale thereof and take possession of such property. As an alternative to foreclosure proceedings, UHC may take such other action as may be appropriate to acquire and take possession of the mortgaged property, including, without limitation, acceptance of a conveyance in lieu of foreclosure.

(g) It shall not request payment from any governmental insurer in debentures of such insurer, or any other person, in any case where, under applicable government regulations, it is permitted to request such debentures as payment with respect to a defaulted Mortgage Loan.

Assignment or Disposition of Mortgage Loans; Amendment of Mortgage Loans

Following the acquisition of a Mortgage Loan by the Trustee, UHC shall not sell, assign, transfer, pledge or otherwise dispose of or encumber any Mortgage Loan or any of the rights of UHC with respect to any Mortgage Loan or arising out of the Mortgage or the other obligations evidencing or securing any Mortgage Loan except a Mortgage Loan in default, unless UHC determines that such sale, assignment, transfer or other disposition would not have a material adverse effect on the ability of UHC to pay the principal of and interest on the Outstanding Bonds.

UHC shall not consent or agree to or permit any amendment or modification of the economic terms of any Mortgage Loan in any manner materially adverse to the interests of the Bondholders, as determined in good faith by UHC Certificate.

Creation of Liens

UHC covenants that it shall not issue any bonds or other evidences of indebtedness, other than the Bonds, secured by a pledge of the Revenues or of the moneys, securities, rights and interests pledged or held or set aside by UHC or by any Fiduciary under the Indenture and shall not create or cause to be created, other than by the Indenture, any lien or charge on the Revenues or such moneys, securities, rights or interests; provided, however, that nothing in the Indenture shall prevent UHC from issuing (i) evidences of indebtedness secured by a pledge of Revenues to be derived after the pledge of the Revenues provided in the Indenture shall be discharged and satisfied as provided in the General Indenture; or (ii) notes or bonds or other obligations of UHC not secured under the Indenture; or (iii) notes, bonds or other obligations which are general obligations of UHC under the Act.

Events of Default

Each of the following constitutes an “Event of Default” under the Indenture:

- (a) UHC shall fail to pay any Principal Installment of any Class I Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;
- (b) UHC shall fail to pay any installment of interest on any Class I Bond when and as the same shall become due and payable, and such failure shall continue for a period of 5 days;
- (c) UHC shall fail to pay any Principal Installment or interest on any Class II Bond when and as the same shall become due and payable, provided that sufficient moneys for such payment are available in the Class II Debt Service Fund;
- (d) UHC shall fail to pay any Principal Installment or interest on any Class III Bond when and as the same shall become due and payable, provided that sufficient moneys for such payment are available in the Class III Debt Service Fund;
- (e) UHC shall fail to pay any Principal Installment or interest on any Class IV Bond or fail to pay any Class IV Auxiliary Obligation when and as the same shall become due and payable, provided that sufficient moneys for such payment are available in the Class IV Debt Service Fund;
- (f) UHC shall fail to perform or observe any other covenant, agreement or condition on its part contained in the Indenture (except the requirement that a Cash Flow Statement satisfy the requirements of clause (b) of the definition thereof and the requirement that UHC pay amounts to the Trustee from its other revenues, moneys or assets in connection with General Obligations), or in the Bonds and such failure shall continue for a period of 60 days after written notice thereof to UHC by the Trustee or to UHC and to the Trustee by the Holders of not less than 10% in Aggregate Principal Amount of the Bonds Outstanding; or
- (g) UHC shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

Remedies

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in subsections (a), (b), (c), (d), (e) and (g) of the section entitled “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default” and not less than 50% in Aggregate Principal Amount of Outstanding Bonds following an Event of Default described in subsection (f) of such section shall, give 30 days’ notice in writing to UHC of its intention to declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Holders of not less than 25% in Aggregate Principal Amount of Outstanding Bonds shall, by notice in writing to UHC, declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such Bonds shall become and be immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

Notwithstanding the preceding paragraph, following a Covenant Default (except for a failure which could adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-exempt Bonds), the Trustee shall not declare the Aggregate Principal Amount of all Bonds Outstanding immediately due and payable unless the Trustee is so directed by the written request of Holders of 100% in Aggregate Principal Amount of Outstanding Bonds.

At any time after the Aggregate Principal Amount of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Revenue Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by UHC under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce its rights and the rights of the Bondholders under the Act, the Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than 25% in Aggregate Principal Amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

During the continuance of an Event of Default, the Trustee shall apply, or cause the Paying Agent to apply, all moneys and securities held in any Fund or Account (except the Rebate Account, the Bond Purchase Fund, the Short Term Bond Account and, with respect to any Bonds that are not General Obligations, any UHC Payment Account) (moneys and securities in the Short Term Bond Account and any UHC Payment Account are to be applied only to the payment of interest and Principal Installments on Bonds with respect to which such moneys and securities have been pledged), Revenues, payments and receipts and the income therefrom as follows and in the following order:

- (i) To the payment of the reasonable and proper Fiduciary Expenses;
- (ii) To the payment of the interest, Principal Installments and other amounts then due and payable on the Class I Bonds, subject to the provisions of the General Indenture; as follows:
 - (A) Unless the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable.

First: To the payment to the persons entitled thereto of all installments of interest then due and payable on the Class I Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid Principal Installments of any Class I Bonds and any other required payment on the Class I Bonds which shall have become due and payable, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Class I Bonds due and payable on any date, then to the payment thereof

ratably, according to the amounts of Principal Installments due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) If the Aggregate Principal Amount of all of the Class I Bonds shall have become or have been declared due and payable, to the payment of the principal, interest and other amounts then due and unpaid upon the Class I Bonds without preference or priority of principal over interest or other amounts or of interest over principal or other amounts, or of other amounts over principal or interest or of any installment of interest over any other installment of interest, or of any Class I Bond over any other Class I Bond, ratably, according to the amounts due respectively for principal and interest or other amounts, to the persons entitled thereto without any discrimination or preference;

(iii) To the payment of the Principal Installments of and interest and other amounts then due on the Class II Bonds in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class II Bonds rather than the Class I Bonds.

(iv) To the payment of the Principal Installments of and interest and other amounts then due on the Class III Bonds in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class III Bonds rather than the Class I Bonds.

(v) To the payment of the Principal Installments of and interest and other amounts then due on the Class IV Bonds in accordance with the provisions of subsection (ii) above as if such subsection referred to the Class IV Bonds rather than the Class I Bonds.

(vi) To the payment of the amounts required for reasonable and necessary Program Expenses.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute (including the Act) on or after the date of adoption of the Indenture.

Majority Bondholders Control Proceedings

If a General Obligation Bond Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary, the Holders of at least a majority in Aggregate Principal Amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or to take any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions (in particular, those relating to the priority of the Class I Bonds over Class II, III and IV Bonds, Class II Bonds over Class III and IV Bonds and Class III Bonds over Class IV Bonds) of the Indenture (including indemnity to the Trustee as provided in the General Indenture) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondholders not joining in such direction and provided further that nothing shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondholders.

General Obligation Bond Default

If UHC shall fail to pay interest on any General Obligation Bond when due or shall fail to pay any Principal Installment on any General Obligation Bond at maturity, provided that such failure shall not constitute an Event of Default under the General Indenture, such failure is declared a "General Obligation Bond Default" under the Indenture. A General Obligation Bond Default shall not constitute an Event of Default under the Indenture and shall not affect the priority of the lien on and pledge of Revenues granted to Holders of Bonds under the Indenture.

Upon the occurrence of a General Obligation Bond Default, the Trustee may and, upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, give 30 days' notice in writing to UHC of its intention to declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable. At the end of such 30-day period the Trustee may, and upon such written request of Holders of not less than 25% in Aggregate Principal Amount of Outstanding General Obligation Bonds shall, by notice in writing to UHC, declare the Aggregate Principal Amount of all General Obligation Bonds Outstanding immediately due and payable; and the Aggregate Principal Amount of such General Obligation Bonds shall become and be immediately due and payable. In such event, there shall be due and payable on the General Obligation Bonds an amount equal to the total principal amount of all such Bonds, plus all interest which will accrue thereon to the date of payment.

At any time after the Aggregate Principal Amount of the General Obligation Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any General Obligation Bonds not then due by their terms if (i) moneys shall have been deposited in the General Obligation Debt Service Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding General Obligation Bonds; and (ii) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee. No such annulment shall extend to or affect any subsequent General Obligation Bond Default or impair any right consequent thereon.

Upon the occurrence and continuance of a General Obligation Bond Default, the Trustee may, and upon the written request of the Holders of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall, proceed forthwith to protect and enforce the rights of the Holders of the General Obligation Bonds under the Act, the General Obligation Bonds and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient and consistent with the limitations specified below, including but not limited to:

- (i) Suit upon all or any part of the General Obligation Bonds;
- (ii) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of General Obligation Bonds; and
- (iii) Enforcement of any other right of Holders of the General Obligation Bonds conferred by law or by the Indenture.

Regardless of the happening of a General Obligation Bond Default, the Trustee, if requested in writing by the Holders of not less than 25% in Aggregate Principal Amount of the General Obligation Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture; or (ii) to preserve or protect the interests of the Holders of the General Obligation Bonds, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of General Obligation Bonds not making such request.

The rights and remedies of Holders of General Obligation Bonds upon the occurrence of a General Obligation Bond Default shall be limited to the enforcement of UHC's general obligation covenant with respect thereto and to the disbursement of amounts available to Holders of General Obligation Bonds from time to time in the Related Debt Service Fund, the Related Special Redemption Account and the Related Debt Service Reserve Fund after provision is made for, and after taking into account the rights of, Holders of Bonds having a prior lien on Revenues as provided in the Indenture. The exercise of remedies upon the occurrence of a General Obligation Bond Default shall not in any manner affect, disturb or prejudice the security and rights of such Holders of Bonds under the Indenture.

Modification of Indenture and Outstanding Bonds

The Indenture provides procedures whereby UHC may amend the Indenture by execution and delivery of a Supplemental Indenture. Amendments that may be made without consent of Bondholders or the Trustee must be for only the following purposes: (a) To add to the covenants and agreements of UHC in the Indenture, other covenants and agreements to be observed by UHC which are not contrary to or inconsistent with the Indenture as theretofore in effect; (b) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by UHC which are not contrary to or inconsistent with the Indenture as theretofore in effect; (c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Indenture of the Revenues or of any other moneys, securities or funds; (d) To increase the maximum permitted yield to be provided by Mortgage Loans or to change the maximum permitted investment yield to be provided by Investment Obligations credited to any Fund or Account; (e) To modify any provisions of the Indenture in any respect whatever, provided that the modification, in the sole judgment of UHC, is reasonably necessary to assure that the interest on Tax-exempt Bonds remains excludable from the gross income of the owners thereof for federal income tax purposes; or (f) To provide for the issuance of Bonds pursuant to the Indenture and to provide for the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed.

With the consent of the Trustee, a Supplemental Indenture may be executed and delivered by UHC: (a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; (b) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture theretofore in effect; (c) To provide for additional duties of the Trustee in connection with the Mortgage Loans; (d) To waive any right reserved to UHC, provided that the loss of such right shall not adversely impair the Revenues available to pay the Outstanding Bonds; or (e) To make any other amendment or change that will not materially affect the interest of Owners of Outstanding Bonds.

Any modification or amendment of the Indenture and of the rights and obligations of UHC and of the Bondholders, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the General Indenture of the Holders of at least a majority in Aggregate Principal Amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of all such Bonds, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment without the consent of the Holders of all Bonds then Outstanding or shall change the provisions of the Indenture relating to the ability to declare the Aggregate Principal Amount of Bonds to be due and payable or shall materially adversely affect the rights of the Holders of Class II Bonds without the consent of the Holders of a majority in Aggregate Principal Amount of Class II Bonds Outstanding, or shall materially adversely affect the rights of the Holders of Class III Bonds without the consent of the Holders of a majority in Aggregate Principal Amount of Class III Bonds then Outstanding, or shall materially adversely affect the rights of the Holders of Class IV Bonds without the consent of the Holders of a majority in Aggregate Principal Amount of Class IV Bonds then Outstanding; or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. If any such modification or amendment will, by its terms not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. The Trustee, relying upon a Counsel's Opinion, may determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular maturity would be affected by any modification or amendment of the Indenture, and any such determination shall be binding and conclusive on UHC and the Bondholders.

Defeasance

If UHC shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any Revenues, and other moneys and securities pledged under the Indenture and all covenants, agreements and other obligations of UHC to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by UHC to be prepared and filed with UHC and, upon

the request of UHC, shall execute and deliver to UHC all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to or upon the order of UHC all moneys or securities held by them pursuant to the Indenture that are not required for the payment of principal, or Redemption Price, if applicable, of or interest on Bonds not theretofore surrendered to them for such payment or redemption.

Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or the Paying Agent (through deposit by UHC of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the General Indenture. Outstanding Bonds shall be deemed, prior to the maturity or redemption date thereof, to have been paid within the meaning and with the effect expressed in the General Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, UHC shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to mail a notice of redemption of such Bonds on said date; (ii) there shall have been deposited with the Trustee either moneys in an amount sufficient, or Defeasance Obligations the principal of and the interest on which when due (whether at maturity or the prior redemption thereof at the option of the holder thereof) will provide moneys in an amount that, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, UHC shall have given to the Bond Registrar in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price of and interest on said Bonds.

SUMMARY OF CERTAIN PROVISIONS OF THE CONTINUING DISCLOSURE CERTIFICATE

Definitions

“Annual Bond Disclosure Report” means any Annual Bond Disclosure Report provided by UHC pursuant to, and as described in, the Continuing Disclosure Certificate.

“Beneficial Owner” means (for purposes of the Continuing Disclosure Certificate) any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2013 Series E Bonds (including persons holding 2013 Series E Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” means UHC, or any successor Dissemination Agent designated in writing by UHC.

“Listed Events” means any of the events listed below under “Reporting of Significant Events.”

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriters” means the original underwriters of the 2013 Series E Bonds required to comply with the Rule in connection with offering of the 2013 Series E Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the Securities and Exchange Commission and any successor agency thereto.

Provision of Annual Bond Disclosure Reports

UHC shall provide, or shall cause the Dissemination Agent to provide, not later than six months after the end of each fiscal year, commencing with a report for the fiscal year ending June 30, 2013 to the MSRB an Annual Bond Disclosure Report in an electronic format which is consistent with the requirements of the Continuing Disclosure Certificate.

If an Annual Bond Disclosure Report has not been provided to the MSRB by the date specified in the preceding paragraph, UHC shall in a timely manner send, or cause to be sent, a notice to the MSRB stating that such Annual Bond Disclosure Report has not been timely provided and, if known, stating the date by which UHC anticipates such Annual Bond Disclosure Report will be provided.

Content of Annual Bond Disclosure Reports

Each Annual Bond Disclosure Report of UHC shall contain or include by reference the following:

1. The audited financial statements for UHC for the most recently ended fiscal year, currently prepared in accordance with generally accepted accounting principles.
2. Tables setting forth the following information, as of the end of such fiscal year:
 - a. The interest rate on such Bonds, original aggregate principal amount of such Bonds and the principal amount of such Bonds remaining Outstanding.
 - b. For each Series and Class of Bonds, the original aggregate principal amount of Bonds and the aggregate principal amount of Bonds remaining Outstanding.
 - c. The amounts credited to the Acquisition Account, the Revenue Account, the Debt Service Reserve Fund, the Class I Debt Service Fund, the Class II Debt Service Fund, the Class III Debt Service Fund, the Class IV Debt Service Fund (as applicable) the Redemption Fund (including all subaccounts) and the Short Term Bond Account.
 - d. With respect to each Series of Bonds, the number and aggregate principal amount of Mortgage Loans purchased and the number and aggregate principal balance of Mortgage Loans remaining outstanding.
 - e. The delinquency rates for Mortgage Loans securing each Series of the Bonds and the number of foreclosures on Mortgage Loans securing the Bonds for the preceding 12 months and on a cumulative basis.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of UHC or related public entities, which have been submitted to the MSRB or the SEC. UHC shall clearly identify each such other document so included by reference.

Reporting of Significant Events

Any of the following events shall be considered a Listed Event:

- (1) Principal and interest payment delinquencies with respect to the 2013 Series E Bonds.
- (2) Non-payment related defaults with respect to the 2013 Series E Bonds, if material.
- (3) Unscheduled draws on any credit enhancement reflecting financial difficulties.

- (4) Unscheduled draws on any debt service reserve reflecting financial difficulties.
- (5) Substitution of any credit or liquidity providers, or their failure to perform.
- (6) Material notices or determinations with respect to the tax status of the 2013 Series E Bonds or other material events affecting the tax status of the 2013 Series E Bonds.
- (7) Modifications to rights of holders of the 2013 Series E Bonds, if material.
- (8) (a) Bond calls, if material, and (b) tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the 2013 Series E Bonds, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of UHC.
- (13) The consummation of a merger, consolidation or acquisition involving UHC or the sale of all or substantially of the assets of UHC, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change in the name of the trustee, if material.

Whenever UHC obtains knowledge of the occurrence of a Listed Event, it shall determine if such event would be material under applicable federal securities laws, provided that Listed Events of the type specified above in paragraphs (1), (3), (4), (5), (6), (8)(b), (9), (11) and (12) will always be deemed to be material. If UHC determines that knowledge of the event would be material under applicable federal securities laws, it shall, in a timely manner but in no event more than ten (10) Business Days after the occurrence of the Listed Event, file in an electronic format a notice of such occurrence with the MSRB.

Termination of Reporting Obligation

UHC's obligations under the Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2013 Series E Bonds.

Dissemination Agent

UHC may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be UHC.

Amendment; Waiver

UHC may amend the Continuing Disclosure Certificate and any provision of the Continuing Disclosure Certificate may be waived provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions described in the first paragraph under "Provisions of Annual Bond Disclosure Reports" or under "Content of Annual Bond Disclosure Reports" or in the first paragraph under "Reporting of Significant Events", it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law,

or change in the identity, nature or status of an obligated person with respect to the 2013 Series E Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2013 Series E Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the 2013 Series E Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the 2013 Series E Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Certificate, UHC shall describe such amendment in the next Annual Bond Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by UHC. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Bond Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information

Nothing in the Continuing Disclosure Certificate shall be deemed to prevent UHC from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Bond Disclosure Report or notice required to be filed pursuant to the Continuing Disclosure Certificate, in addition to that which is required by the Continuing Disclosure Certificate. If UHC chooses to include any information in any Annual Bond Disclosure Report or any other notice required by the Continuing Disclosure Certificate in addition to that which is specifically required by the Continuing Disclosure Certificate, UHC shall have no obligation under the Continuing Disclosure Certificate to update such information or include it in any future Annual Bond Disclosure Report or any other notice required to be filed.

Default

In the event of a failure of UHC to comply with any provision of the Continuing Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriters or the Holders of at least 25% aggregate principal amount of Outstanding 2013 Series E Bonds, shall), or any Holder or Beneficial Owner of the 2013 Series E Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause UHC to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of UHC to comply with the Continuing Disclosure Certificate shall be an action to compel performance.

Beneficiaries

The Continuing Disclosure Certificate shall inure solely to the benefit of UHC, the Trustee, the Dissemination Agent, the Participating Underwriters, Holders and Beneficial Owners from time to time of the 2013 Series E Bonds, and shall create no rights in any other person or entity.

LEGALITY FOR INVESTMENT

Under the Act, the notes, bonds, and other obligations issued under the authority of the Act are declared to be securities in which all public officers and public bodies of the State and its political subdivisions, all banks, bankers, savings banks, trust companies, credit unions, savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies and insurance associations and others carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries, pension, profit sharing and retirement funds, and all other persons whosoever now or may hereafter be authorized to invest in notes, bonds, or other obligations of the State, may properly and legally invest any funds, including capital belonging to them or within their control. Such notes, bonds, and other obligations are also declared securities which may properly and legally be deposited with and received by any State, county, or municipal officer, or agency of the State for any purpose for which the deposit of notes, bonds, or other obligations of the State is now or may hereafter be authorized by law.

LEGALITY AND TAX STATUS

Certain legal matters in connection with the issuance of the 2013 Series E Bonds are subject to the approval of Ballard Spahr LLP, Salt Lake City, Utah, Bond Counsel to UHC, and certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, San Francisco, California. The proposed form of opinion to be delivered by Bond Counsel on the date of delivery of the 2013 Series E Bonds is set forth in Appendix B.

In the opinion of Ballard Spahr LLP, Bond Counsel to UHC, interest on the 2013 Series E Bonds is taxable as ordinary income for federal income tax purposes. Bond Counsel is also of the opinion based on existing law that interest on the 2013 Series E Bonds is exempt from Utah individual income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2013 Series E Bonds.

If UHC defeases any 2013 Series E Bond, such 2013 Series E Bond may be deemed to be retired and “reissued” for federal income tax purposes as a result of the defeasance. In that event, the Beneficial Owner of the 2013 Series E Bond will recognize taxable gain or loss equal to the difference between the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the Beneficial Owner’s adjusted tax basis in the 2013 Series E Bond.

NO LITIGATION

There is no proceeding or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the 2013 Series E Bonds, or in any way contesting or affecting the validity of the 2013 Series E Bonds, any proceedings of UHC taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the 2013 Series E Bonds, the existence or powers of UHC relating to the 2013 Series E Bonds or the title of any officers of UHC to their respective positions.

UNDERWRITING

The 2013 Series E Bonds will be purchased from UHC by Wells Fargo Securities (“Wells Fargo”) and Zions First National Bank, N.A. (together, the “Underwriters”), under a Purchase Contract, pursuant to which the Underwriters, represented by Wells Fargo, agree, subject to certain conditions, to purchase all of such Bonds.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2013 Series E Bonds to certain dealers (including dealers depositing such Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association

(“WFBNA”). WFBNA has entered into an agreement (the “Distribution Agreement”) with its affiliate, Wells Fargo Advisors, LLC (“WFA”), for the distribution of certain municipal securities offerings, including the 2013 Series E Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the 2013 Series E Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC (“WFSLLC”) and Wells Fargo Institutional Securities, LLC (“WFIS”), for the distribution of municipal securities offerings, including the 2013 Series E Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company

WFBNA is serving as both underwriter and Trustee, Paying Agent, and Bond Registrar for the 2013 Series E Bonds.

FINANCIAL STATEMENTS OF UHC

The audited financial statements of UHC for the fiscal year ending June 30, 2012 are included in Appendix D.

ADDITIONAL INFORMATION

Copies in reasonable quantity of the Indenture and other documents referenced herein may be obtained during the offering period from the Underwriters or from UHC at 2479 South Lake Park Blvd., West Valley City, Utah 84120.

The execution and delivery of this Official Statement by its Chair, Vice Chair, President or a Senior Vice President, have been duly authorized by UHC. Concurrently with the delivery of the 2013 Series E Bonds, UHC will furnish a certificate executed on behalf of UHC by its Chair, Vice Chair, President or Senior Vice President, to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the 2013 Series E Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

UTAH HOUSING CORPORATION

By /s/ Grant S. Whitaker
President

INSURANCE, GUARANTEES AND FORECLOSURE

Federal Housing Administration Single Family Mortgage Insurance

The regulations governing the FHA single-family programs under which the Mortgage Loans may be insured provide that a mortgage loan will be considered to be in default if the mortgagor fails to make any payment or perform any other obligation under the mortgage, and such failure continues for a period of thirty days. Insurance benefits are payable to the mortgagee either upon foreclosure (or other acquisition of the property) and conveyance of mortgaged premises to HUD. In the event of a default on an FHA-insured single-family mortgage loan, the mortgagee must determine whether or not the default is caused by a circumstance or set of circumstances beyond the mortgagor's control which temporarily renders the mortgagor financially unable to cure the delinquency within a reasonable time or to make full mortgage payments. If the determination is made that the default is caused by such circumstances, the mortgagee generally is not permitted to initiate foreclosure proceedings unless and until it has offered the mortgagor appropriate loss mitigation alternatives. FHA insurance claims are paid in an amount equal to one hundred percent (100%) of the outstanding principal balance of the mortgage loan plus interest and certain additional costs and expenses. When entitlement to insurance benefits results from foreclosure (or other acquisition of the property) and conveyance, the insurance payment is computed as of the date of the default by the mortgagor. The insurance payment itself bears interest as provided under FHA regulations.

Payment for insurance claims may include reimbursement to the mortgagees for tax, insurance, and similar payments made by them, as well as deductions for amounts received or retained by them after default. Under most FHA insurance programs for single-family residences the Federal Housing Commissioner has the option of paying insurance claims in cash or in debentures. The HUD debenture rate may be less than the interest rate on the mortgage loans, and any such debentures would mature 20 years after the date of issue, pay interest semiannually and may be redeemable at par at the option of HUD. Current FHA policy, which is subject to change at any time, is to pay insurance claims in cash.

Department of Veterans Affairs Loan Guaranty Program

The Serviceman's Readjustment Act of 1944, as amended, permits a veteran (or in certain circumstances a veteran's spouse) to obtain a mortgage loan guaranty by the VA covering mortgage financing of the purchase of a one-to-four unit family dwelling at interest rates permitted by the VA.

Claims for the payment of a VA guaranty may be submitted after a loan has been terminated by foreclosure or the acceptance by the VA of a voluntary conveyance (deed-in-lieu of foreclosure). A mortgagee intending to institute foreclosure proceedings cannot do so until 30 days after notifying the Administrator of Veteran Affairs of this intention by registered mail.

The liability on the guaranty is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but will in no event exceed the original amount of the guaranty. Notwithstanding the dollar and percentage limitations of the guaranty, a mortgagee will ordinarily suffer a monetary loss only when the difference between the unsatisfied indebtedness and the proceeds of any foreclosure sale of a mortgaged premises is greater than the original guaranty as adjusted. The VA may, at its option and without regard to the guaranty, make full payment to a mortgagee of unsatisfied indebtedness on a mortgage upon the mortgagee's obtaining title and conveying it to the VA.

Utah Foreclosure Procedures

The security instruments employed under UHC's Single Family Program generally take the form of trust deeds. The Utah Code permits the trustee under a trust deed to conduct a non-judicial foreclosure sale. The trustee institutes this process by sending a notice to the trustor (mortgagor) of its intent to file a notice of default stating the nature of the default, the total cure amount, the date by which the total cure amount is due and the contact name, telephone number and address of the beneficiary or servicer for information relating to foreclosure relief. If the total

cure amount is not paid by the designated date, the Trustee may file for record a notice of default and election to sell; copies of this notice are mailed to the trustor (mortgagor) and to any persons who have requested such notice under applicable statutory procedures. The trustor or any subordinate lienholder may reinstate the trust deed at any time within three months after the notice of default is recorded by paying all delinquent installments plus costs, expenses, trustees' fees and attorneys' fees. The trustor may also apply for foreclosure relief within the 3-month period subsequent to the filing of the notice of default, and if such relief is requested, a notice of sale may not be filed until the beneficiary or servicer has determined that the trustor does not qualify for foreclosure relief.

After not less than three months have elapsed from the filing of the notice of default, the trustee may give written notice of sale. Notice of sale is given by publication at least three times, once a week for three consecutive weeks, the last publication to be at least ten days but not more than thirty days prior to the sale, by public posting at least twenty days before the date of sale, and by the mailing of a copy of the notice of sale to the trustor and to any person who has properly requested notice. No redemption is permitted after the sale.

Trust deeds may also be foreclosed in judicial proceedings in the manner provided by law for the foreclosure of mortgages. In such a judicial proceeding, a mortgagor has 180 days after the foreclosure sale to redeem and is entitled to possession during the redemption period. In addition to the mortgagor, rights of redemption are also accorded to his successor, junior lienors or judgment creditors by paying the foreclosure sale purchaser the purchase price plus interest and other costs. A Sheriff's Certificate is issued at the time of sale to the purchaser, but a deed is not issued until the expiration of the 180-day redemption period.

The Utah Code allows a deficiency judgment if proceeds from sale are insufficient to satisfy the judgment, but in the case of a trustee's sale under a trust deed, the amount of any deficiency judgment is limited to the amount by which the amount of the indebtedness secured by the trust deed being foreclosed plus interest and the costs and expenses incurred in the foreclosure exceeds the fair market value of the property at the time of the foreclosure sale.

A mortgagor may deliver the deed of a secured property to UHC in lieu of having the respective trust deed foreclosed, provided that UHC, and FHA or VA, as applicable, give prior consent.

Servicemembers' Civil Relief Act

The Servicemembers' Civil Relief Act (signed into law on December 19, 2003 to replace the Soldiers' and Sailors' Civil Relief Act of 1940) applies to anyone called to active military duty and who has debts (including mortgage debt) incurred before they were so activated. The Servicemembers' Civil Relief Act, as amended by the FHA Modernization Act of 2008, effectively provides that, upon activation and during the period of active duty and for a period of nine months thereafter such debts may not be foreclosed on. Additionally, during the period of active duty and for a period of one year thereafter any interest on such debts in excess of 6% must be forgiven.

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the 2013 Series E Bonds, Ballard Spahr LLP, Salt Lake City, Utah, Bond Counsel to UHC, proposes to issue an opinion in substantially the following form:

We have acted as bond counsel to Utah Housing Corporation (“UHC”) in connection with the issuance by UHC of its \$106,400,000 Single Family Mortgage Bonds, 2013 Series E (Federally Taxable) (the “2013 Series E Bonds”). UHC is an independent body politic and corporate, constituting a public corporation, created by and existing under the Utah Housing Corporation Act, Title 35A, Chapter 8, Part 7, Utah Code Annotated 1953, as amended (the “Act”). The 2013 Series E Bonds are authorized to be issued under and secured by a General Indenture of Trust dated as of December 1, 2009 and a 2013 Series E Indenture also dated as of May 1, 2013 (collectively, the “Indenture”), between UHC and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

In such connection, we have reviewed the Indenture, an opinion of counsel to UHC, certificates of UHC, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than UHC. We have not undertaken to verify independently, and have assumed, accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. We call attention to the fact that the rights and obligations under the 2013 Series E Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the official statement or other offering material relating to the 2013 Series E Bonds and express no opinion with respect thereto.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, it is our opinion that:

1. UHC is an independent body politic and corporate, constituting a public corporation, validly existing under the laws of the State of Utah, and has lawful authority to issue the 2013 Series E Bonds.

2. The Indenture has been duly executed and delivered by, and is a valid and binding obligation of, UHC. The Indenture creates a valid pledge to secure the payment of the principal of and interest on Class I Bonds, and subordinate thereto, to secure the payment of the principal of and interest on Class II Bonds, and subordinate thereto, to secure the payment of the principal of and interest on Class III Bonds, and subordinate thereto, to secure the payment of the principal of and interest on Class IV Bonds, of the Revenues and any other amounts (including proceeds of the sale of the 2013 Series E Bonds) held by the Trustee in any fund or account established pursuant to the Indenture (except for amounts on deposit in the Rebate Account, the Bond Purchase Fund, the Short Term Bond Account and any UHC Payment Account, and except for the Rebate Requirement to be deposited in the Rebate Account), and of the rights and interests of UHC in and to the Mortgage Loans, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. Except as set forth in the Indenture, Bonds of each Class issued under the Indenture are equally and ratably secured by the pledges and covenants contained therein.

3. The 2013 Series E Bonds constitute valid and binding special obligations of UHC, payable solely from the Revenues and other assets pledged therefor under the Indenture. The 2013 Series E Bonds do not constitute a debt or liability of the State of Utah or any political subdivision thereof.

4. Interest on the 2013 Series E Bonds is taxable as ordinary income for federal income tax purposes.

5. Based on existing law of the State of Utah, interest on the 2013 Series E Bonds is exempt from Utah individual income taxes.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2013 Series E Bonds.

APPENDIX C

OUTSTANDING INDEBTEDNESS

Single Family Issues:

<u>Name of Issue</u>	<u>Dated</u>	<u>Principal Amount (\$)¹</u>	
		<u>Issued</u>	<u>Outstanding as of April 1, 2013[†]</u>
Single Family Mortgage Purchase Bonds, 1977 Series A	July 1, 1977	75,000,000	-0-
Single Family Mortgage Purchase Bonds, 1978 Series A	April 1, 1978	70,000,000	-0-
Single Family Mortgage Purchase Bonds, 1979 Series A	January 1, 1979	56,980,000	-0-
Single Family Mortgage Purchase Bonds, 1980 Series A	February 1, 1980	100,000,000	-0-
Single Family Mortgage Purchase Bonds, 1980 Series B	June 1, 1980	50,000,000	-0-
Single Family Mortgage Bonds, June 1982	June 1, 1982	121,765,000	-0-
Single Family Mortgage Bonds, 1983 Series A	May 1, 1983 and May 19, 1983	51,190,000	-0-
Residential Mortgage Bonds, 1983 Series A	October 1, 1983 and November 9, 1983	147,059,960	-0-
Single Family Mortgage Bonds, 1984 Series A	November 1, 1984 and December 4, 1984	198,299,915	-0-
Home Improvement Loan Revenue Bonds, 1986 Series A	June 1, 1986	2,000,000	-0-
Single Family Mortgage Purchase Refunding Bonds, 1986 Series A	June 1, 1986 and July 1, 1986	91,014,793	-0-
Single Family Mortgage Purchase Refunding Bonds, 1986 Series B	December 1, 1986	13,360,000	-0-
Single Family Mortgage Purchase Refunding Bonds, 1987 Series A	February 1, 1987 and March 6, 1987	38,322,460	-0-
Single Family Mortgage Purchase Refunding Bonds, 1987 Series B	March 1, 1987 and April 8, 1987	28,386,371	-0-
Single Family Mortgage Purchase Refunding Bonds, 1987 Series C	April 8, 1987	2,249,375	-0-
Single Family Mortgage Bonds, 1987 Issue D	April 1, 1987	27,640,000	-0-
Single Family Mortgage Bonds, 1987 Issue E	June 1, 1987 and June 30, 1987	36,835,000	-0-
Single Family Mortgage Bonds, 1987 Issue F	October 1, 1987 and October 15, 1987	32,920,000	-0-
Single Family Mortgage Bonds, 1987 Issue G	November 1, 1987 and December 2, 1987	22,815,000	-0-
Single Family Mortgage Bonds, 1988 Issue A	January 1, 1988 and February 18, 1988	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue B	March 1, 1988 and March 30, 1988	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue C	April 1, 1988 and May 11, 1988	50,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue D	June 1, 1988 and July 27, 1988	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue E	July 1, 1988 and July 27, 1988	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue F	August 1, 1988 and September 7, 1988	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue G	November 1, 1988 and December 8, 1988	29,610,000	-0-
Single Family Mortgage Bonds, 1989 Issue A	February 1, 1989 and February 22, 1989	25,000,000	-0-
Single Family Mortgage Bonds, 1989 Issue B	March 1, 1989 and March 29, 1989	25,000,000	-0-
Single Family Mortgage Bonds, 1989 Issue C	May 1, 1989	25,000,000	-0-
Single Family Mortgage Purchase Bonds, 1989 Series D	June 1, 1989	20,160,000	-0-
Single Family Mortgage Bonds, 1988 Issue E	October 1, 1989	25,000,000	-0-
Single Family Mortgage Bonds, 1988 Issue F	December 1, 1989	25,000,000	-0-
Single Family Mortgage Bonds, 1990 Issue A	February 1, 1990	25,000,000	-0-
Single Family Mortgage Bonds, 1990 Issue B	April 1, 1990	30,000,000	-0-
Single Family Mortgage Bonds, 1990 Issue C	May 1, 1990 and May 30, 1990	38,215,000	-0-
Single Family Mortgage Bonds, 1990 Issue D	July 1, 1990	15,000,000	-0-
Single Family Mortgage Bonds, 1990 Issue E	September 1, 1990 and September 25, 1990	40,000,000	-0-
Single Family Mortgage Bonds, 1990 Issue F	December 20, 1990	21,985,000	-0-
Single Family Mortgage Bonds, 1991 Issue A	January 1, 1991	25,000,000	-0-
Single Family Mortgage Bonds, 1991 Issue B	March 1, 1991	25,000,000	-0-
Single Family Mortgage Bonds, 1991 Issue C	April 1, 1991	25,000,000	-0-
Single Family Mortgage Bonds, 1991 Issue D	May 1, 1991	49,260,000	-0-

<u>Name of Issue</u>	<u>Dated</u>	<u>Issued</u>	Principal Amount (\$)¹ Outstanding as of <u>April 1, 2013</u> †
Single Family Mortgage Bonds, 1991 Series E	December 1, 1991	23,840,000	-0-
Single Family Mortgage Bonds, 1992 Series A	April 1, 1992	23,800,000	-0-
Single Family Mortgage Bonds, 1992 Issue B	May 1, 1992	25,000,000	-0-
Single Family Mortgage Bonds, 1992 Issue C	June 1, 1992	25,000,000	-0-
Single Family Mortgage Purchase Refunding Bonds of 1992	June 1, 1992	64,455,000	-0-
Single Family Mortgage Bonds, 1992 Issue D	December 10, 1992	26,005,000	-0-
Single Family Mortgage Bonds, 1992 Issue E	April 1, 1993	26,000,000	-0-
Single Family Mortgage Bonds, 1992 Issue F	June 10, 1993	26,000,000	-0-
Single Family Mortgage Purchase Refunding Bonds, 1993 Issue A	June 1, 1993	27,855,000	-0-
Single Family Mortgage Refunding Bonds of 1993	June 29, 1993	50,000,000	-0-
Single Family Mortgage Bonds, 1993 Issue B	August 1, 1993	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1993 Issue C	December 30, 1993	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1993 Issue D	December 30, 1993	37,865,000	-0-
Single Family Mortgage Bonds, 1994 Issue A	January 1994	25,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue B	April 1, 1994	25,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue C	June 1, 1994	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1994 Series 1 and 2	June 30, 1994	100,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue D	July 30, 1994	25,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue E	September 1, 1994	25,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue F	October 1, 1994	25,000,000	-0-
Single Family Mortgage Bonds, 1994 Issue G	November 1, 1994	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1994 Series 3 and 4	December 29, 1994	25,935,000	-0-
Single Family Mortgage Bonds, 1995 Issue A	January 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue B	March 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue C	April 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue D	May 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue E	June 1, 1995	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1995 Series 1 and 2	June 29, 1995	9,435,000	-0-
Single Family Mortgage Bonds, 1995 Issue F	August 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue G	September 28, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue H	October 1, 1995	25,000,000	-0-
Single Family Mortgage Bonds, 1995 Issue I	December 1, 1995	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1995 Series 3 and 4	December 28, 1995	33,340,000	-0-
Single Family Mortgage Bonds, 1996 Issue A	March 1, 1996	25,000,000	-0-
Single Family Mortgage Bonds, 1996 Series R, B and 1	May 1, 1996 and May 30, 1996	87,400,000	-0-
Single Family Mortgage Purchase Refunding Bonds, Series 1996	May 1, 1996	32,440,000	-0-
Single Family Mortgage Variable Rate Bonds, Series 2 and 3	June 27, 1996	36,530,000	-0-
Single Family Mortgage Bonds, 1996 Series C	July 1, 1996 and August 14, 1996	25,000,000	-0-
Single Family Mortgage Bonds, 1996 Series D	September 1, 1996 and October 10, 1996	25,000,000	-0-
Single Family Mortgage Bonds, 1996 Issue E	October 1, 1996	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1996 Series 4 and 5	December 31, 1996	36,610,000	-0-
Single Family Mortgage Bonds, 1997 Issue A	January 1, 1997	25,000,000	-0-
Single Family Mortgage Bonds, 1997 Series B	April 1, 1997	25,000,000	-0-
Single Family Mortgage Bonds, 1997 Series C	May 1, 1997	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1997 Series 1 and 2	June 26, 1997	42,000,000	-0-
Single Family Mortgage Bonds, 1997 Series D	July 11, 1997	25,000,000	-0-
Single Family Mortgage Bonds, 1997 Series E	August 1, 1997	25,000,000	-0-

<u>Name of Issue</u>	<u>Dated</u>	<u>Principal Amount (\$)¹</u>	
		<u>Issued</u>	<u>Outstanding as of April 1, 2013[†]</u>
Single Family Mortgage Bonds, 1997 Series F	September 1, 1997	25,000,000	-0-
Single Family Mortgage Bonds, 1997 Series G	November 1, 1997	25,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1997 Series 3 and 4	December 23, 1997	38,160,000	-0-
Single Family Mortgage Bonds, 1998 Series A	January 1, 1998	25,000,000	-0-
Single Family Mortgage Bonds, 1998 Series B	March 1, 1998	25,000,000	-0-
Single Family Mortgage Bonds, 1998 Series C	April 1, 1998 and June 2, 1998	25,000,000	-0-
Single Family Mortgage Bonds, 1998 Issue D	June 1, 1998	25,000,000	270,000
Single Family Mortgage Bonds, 1998 Issue E	July 1, 1998	25,000,000	-0-
Single Family Mortgage Bonds, 1998 Issue F	October 1, 1998	25,000,000	755,000
Single Family Mortgage Bonds, 1998 Series G	December 1, 1998 and January 12, 1999	30,000,000	50,000
Single Family Mortgage Bonds, 1999 Series A	March 1, 1999 and March 31, 1999	30,000,000	-0-
Single Family Mortgage Bonds, 1999 Series B	May 1, 1999 and June 2, 1999	27,500,000	-0-
Single Family Mortgage Variable Rate Bonds, 1999 Series 1 and 2	June 30, 1999	12,395,000	-0-
Single Family Mortgage Bonds, 1999 Series C	July 1, 1999 and July 22, 1999	30,000,000	-0-
Single Family Mortgage Bonds, 1999 Issue D	August 1, 1999	30,000,000	-0-
Single Family Mortgage Bonds, 1999 Series E	September 1, 1999 and October 7, 1999	30,000,000	-0-
Single Family Mortgage Bonds, 1999 Series F	November 1, 1999 and November 18, 1999	30,000,000	-0-
Single Family Mortgage Variable Rate Bonds, 1999 Series 3 and 4	December 29, 1999	26,745,000	-0-
Single Family Mortgage Bonds, 2000 Issue A	January 1, 2000	25,000,000	-0-
Single Family Mortgage Bonds, 2000 Issue B	April 1, 2000	25,000,000	15,000
Single Family Mortgage Bonds, 2000 Series C	May 1, 2000 and June 6, 2000	25,000,000	9,070,000
Single Family Mortgage Bonds, 2000 Series D	June 1, 2000 and June 29, 2000	25,000,000	9,290,000
Single Family Mortgage Variable Rate Bonds, 2000 Series 1 and 2	June 29, 2000	8,630,000	-0-
Single Family Mortgage Bonds, 2000 Series E	August 1, 2000 and August 31, 2000	25,000,000	9,305,000
Single Family Mortgage Bonds, 2000 Series F	October 1, 2000 and October 24, 2000	25,000,000	9,575,000
Single Family Mortgage Bonds, 2000 Series G	December 1, 2000 and January 4, 2001	25,000,000	9,440,000
Single Family Mortgage Bonds, 2000 Series 3 and 4	December 28, 2000	26,575,000	-0-
Single Family Mortgage Bonds, 2001 Series A	February 1, 2001 and March 8, 2001	25,000,000	6,990,000
Single Family Mortgage Bonds, 2001 Series B	May 1, 2001 and May 23, 2001	25,000,000	7,095,000
Single Family Mortgage Bonds, 2001 Series 1 and 2	June 21, 2001	16,925,000	-0-
Single Family Mortgage Bonds, 2001 Series C	July 1, 2001 and July 17, 2001	25,000,000	7,050,000
Single Family Mortgage Bonds, 2001 Series D	September 1, 2001 and September 5, 2001	25,000,000	7,935,000
Single Family Mortgage Bonds, 2001 Series E	October 1, 2001 and October 31, 2001	25,000,000	5,985,000
Single Family Mortgage Bonds, 2001 Series F	December 1, 2001 and December 13, 2001	25,000,000	9,665,000
Single Family Mortgage Bonds, 2001 Series 3 and 4	December 21, 2001	22,520,000	-0-
Single Family Mortgage Bonds, 2002 Series A	April 18, 2002	28,515,000	5,820,000
Single Family Mortgage Bonds, 2002 Series B	April 1, 2002 and April 18, 2002	25,000,000	7,715,000
Single Family Mortgage Bonds, 2002 Series C	May 1, 2002 and May 31, 2002	28,055,000	9,585,000
Single Family Mortgage Bonds, 2002 Series 1 and 2	June 20, 2002	31,965,000	-0-
Single Family Mortgage Bonds, 2002 Series D	July 1, 2002 and July 23, 2002	25,000,000	10,705,000
Single Family Mortgage Bonds, 2002 Series E	September 1, 2002 and September 5, 2002	25,000,000	4,955,000
Single Family Mortgage Bonds, 2002 Series F	October 1, 2002 and October 24, 2002	25,000,000	7,590,000
Single Family Mortgage Bonds, 2002 Series G	December 1, 2002 and December 17, 2002	28,500,000	10,260,000
Single Family Mortgage Bonds, 2002 Series 3 and 4	December 17, 2002	46,735,000	-0-
Single Family Mortgage Bonds, 2003 Series A	February 1, 2003 and February 27, 2003	25,000,000	8,130,000
Single Family Mortgage Bonds, 2003 Series B	April 1, 2003 and April 15, 2003	29,500,000	9,455,000
Single Family Mortgage Bonds, 2003 Series C	May 1, and June 5, 2003	25,000,000	8,390,000

<u>Name of Issue</u>	<u>Dated</u>	<u>Principal Amount (\$)¹</u>	
		<u>Issued</u>	<u>Outstanding as of April 1, 2013[†]</u>
Single Family Mortgage Bonds, 2003 Series 1 and 2	June 26, 2003	66,105,000	-0-
Single Family Mortgage Bonds, 2003 Series D	July 1, 2003	25,000,000	4,885,000
Single Family Mortgage Bonds, 2003 Series E	September 1, 2003 and September 16, 2003	25,000,000	10,500,000
Single Family Mortgage Bonds, 2003 Series F	October 1, 2003 and October 23, 2003	25,000,000	6,285,000
Single Family Mortgage Bonds, 2003 Series G	December 1, 2003 and December 2, 2003	25,000,000	630,000
Single Family Mortgage Bonds, 2003 Series 3 and 4	December 23, 2003	48,585,000	-0-
Single Family Mortgage Bonds, 2004 Series A	March 1, 2004 and March 11, 2004	25,000,000	125,000
Single Family Mortgage Bonds, 2004 Series B	May 1, 2004 and May 27, 2004	25,000,000	1,035,000
Single Family Mortgage Bonds, 2004 Series 1	June 24, 2004	19,350,000	-0-
Single Family Mortgage Bonds, 2004 Series C	June 1, 2004 and June 24, 2004	25,000,000	1,395,000
Single Family Mortgage Bonds, 2004 Series D	July 1, 2004 and July 29, 2004	25,000,000	1,550,000
Single Family Mortgage Bonds, 2004 Series E	August 1, 2004 and August 12, 2004	25,000,000	1,730,000
Single Family Mortgage Bonds, 2004 Series F	September 1, 2004 and September 2, 2004	30,000,000	2,110,000
Single Family Mortgage Bonds, 2004 Series G	October 1, 2004 and October 14, 2004	30,000,000	2,080,000
Single Family Mortgage Bonds, 2004 Series H	November 1, 2004 and November 23, 2005	30,000,000	2,025,000
Single Family Mortgage Bonds, 2004 Series 2	December 17, 2004	25,320,000	-0-
Single Family Mortgage Bonds, 2004 Series I	January 1, 2005 and January 6, 2005	25,000,000	12,070,000
Single Family Mortgage Bonds, 2005 Series A	February 1, 2005 and February 24, 2005	25,000,000	12,360,000
Single Family Mortgage Bonds, 2005 Series B	April 1, 2005 and April 8, 2005	25,000,000	12,770,000
Single Family Mortgage Bonds, 2005 Series C	May 1, 2005 and May 3, 2005	30,000,000	15,385,000
Single Family Mortgage Bonds, 2005 Series D	June 1, 2005 and June 9, 2005	30,000,000	15,950,000
Single Family Mortgage Bonds, 2005 Series 1	June 29, 2005	24,125,000	-0-
Single Family Mortgage Bonds, 2005 Series E	August 1, 2005 and August 4, 2005	30,000,000	17,050,000
Single Family Mortgage Bonds, 2005 Series F	September 1, 2005 and September 8, 2005	30,000,000	15,020,000
Single Family Mortgage Bonds, 2005 Series G	November 1, 2005 and November 3, 2005	30,000,000	15,480,000
Single Family Mortgage Bonds, 2005 Series 2	December 22, 2005	23,005,000	-0-
Single Family Mortgage Bonds, 2005 Series H	December 1, 2005 and December 28, 2005	30,000,000	16,400,000
Single Family Mortgage Bonds, 2006 Series A	February 1, 2006 and February 16, 2006	30,000,000	2,695,000
Single Family Mortgage Bonds, 2006 Series B	April 1, 2006 and April 27, 2006	30,000,000	3,570,000
Single Family Mortgage Bonds, 2006 Series C	June 1, and June 22, 2006	30,000,000	2,495,000
Single Family Mortgage Bonds, 2006 Series 1	June 29, 2006	21,455,000	-0-
Single Family Mortgage Bonds, 2006 Series D	July 1, 2006 and July 20, 2006	35,000,000	2,430,000
Single Family Mortgage Bonds, 2006 Series E	September 1, 2006 and September 7, 2006	35,000,000	2,395,000
Single Family Mortgage Bonds, 2006 Series F	October 1, 2006 and October 5, 2006	35,000,000	5,440,000
Single Family Mortgage Bonds, 2006 Series G	December 1, 2006 and December 7, 2006	30,000,000	4,265,000
Single Family Mortgage Bonds, 2006 Series 2	December 21, 2006	24,650,000	-0-
Single Family Mortgage Bonds, 2006 Series H	January 1, 2007 and Jan. 25, 2007	30,000,000	9,585,000
Single Family Mortgage Bonds, 2007 Series A	April 1, 2007 and April 5, 2007	30,000,000	10,570,000
Single Family Mortgage Bonds, 2007 Series B	May 1, 2007 and May 16, 2007	30,000,000	3,000,000
Single Family Mortgage Bonds, 2007 Series C	June 1, 2007 and June 14, 2007	35,000,000	3,130,000
Single Family Mortgage Bonds, 2007 Series 1	June 28, 2007	24,250,000	-0-
Single Family Mortgage Bonds, 2007 Series D	August 1, 2007 and August 16, 2007	35,000,000	1,940,000
Single Family Mortgage Bonds, 2007 Series E	September 1, 2007 and September 13, 2007	35,000,000	6,635,000
Single Family Mortgage Bonds, 2007 Series F	October 1, 2007 and October 11, 2007	35,000,000	3,085,000
Single Family Mortgage Bonds, 2007 Series G	November 1, 2007 and November 15, 2007	35,000,000	3,195,000
Single Family Mortgage Bonds, 2007 Series H	December 1, 2007 and December 20, 2007	35,000,000	16,595,000
Single Family Mortgage Bonds, 2007 Series 2	December 20, 2007	31,560,000	-0-

<u>Name of Issue</u>	<u>Dated</u>	<u>Principal Amount (\$)¹</u>	
		<u>Issued</u>	<u>Outstanding as of April 1, 2013[†]</u>
Single Family Mortgage Bonds, 2008 Series A	March 1, 2008 and March 6, 2008	35,000,000	18,140,000
Single Family Mortgage Bonds, 2008 Series B	April 1, 2008 and April 10, 2008	35,000,000	17,355,000
Single Family Mortgage Bonds, 2008 Series C	May 1, 2008 and May 15, 2008	35,000,000	18,390,000
Single Family Mortgage Bonds, 2008 Series D	June 1, 2008 and June 26, 2008	35,000,000	16,755,000
Single Family Mortgage Bonds, 2008 Series 1	June 20, 2008	22,445,000	-0-
Single Family Mortgage Bonds, 2008 Series E	October 1, 2008 and October 7, 2008	35,000,000	3,565,000
Single Family Mortgage Bonds, 2008 Series 2	December 23, 2008	17,515,000	-0-
Single Family Mortgage Bonds, 2009 Series 1&2	June 29, 2009	37,960,000	-0-
Single Family Mortgage Bonds, 2009 Series A	July 1, 2009 and July 15, 2009	89,635,000	36,310,000
Single Family Mortgage Bonds, 2009 Series B	July 1, 2009 and July 15, 2009	74,460,000	750,000
Single Family Mortgage Bonds, 2009 Series 3&4	October 1, 2009	55,475,000	-0-
Single Family Mortgage Bonds, 2009 Series C	December 1, 2009 and December 23, 2009	60,000,000	52,470,000
Single Family Mortgage Bonds, 2009 Series D	December 21, 2009	125,300,000	-0-
Single Family Mortgage Bonds, 2009 Series 5&6	December 18, 2009	81,935,000	-0-
Single Family Mortgage Bonds, 2009 Series D-1/2010 Series A	May 1, 2010 and May 27, 2010	70,000,000	63,865,000
Single Family Mortgage Bonds, 2010 Series 1 and 2	June 29, 2010	16,600,000	-0-
Single Family Mortgage Bonds, 2009 Series D-2/2010 Series B	October 1, 2010 and October 26, 2010	107,015,000	95,860,000
Single Family Mortgage Bonds, 2010 Series 3 and 4	December 22, 2010	12,985,000	-0-
Single Family Mortgage Bonds, 2011 Series A/ 2009 Series D-3	February 1, 2011 and February 17, 2011	74,070,000	65,905,000
Single Family Mortgage Class I Refunding Bonds 2012 Series A	August 1, 2012	150,880,000	146,810,000
Single Family Mortgage Class I Refunding Bonds 2012 Series B	August 1, 2012	86,455,000	86,410,000
Single Family Mortgage Bonds, 2012 Series C	August 6, 2012	9,900,000	9,900,000
Single Family Mortgage Bonds, 2012 Series D	October 18, 2012	15,000,000	15,000,000
Single Family Mortgage Bonds, 2013 Series C	March 30, 2013	22,000,000	22,000,000
TOTAL:		\$7,180,332,874	\$1,092,440,000

(footnotes appear at end of appendix)

Multifamily and 501(c)3 Issues²:

<u>Name of Issue</u>	<u>Dated</u>	<u>Principal Amount (\$)¹</u>	
		<u>Principal Amount Issued</u>	<u>Outstanding as of April 1, 2013[†]</u>
Multifamily Mortgage Purchase Bonds, 1978 Series A	June 1, 1978	3,295,000	-0-
Multifamily Housing Bonds, 1979 Series A	October 1, 1979	9,375,000	-0-
Multifamily Housing Development Bonds, 1982 Series A	May 1, 1982	17,015,000	-0-
Multifamily Housing Development Bonds, 1982 Series B	October 1, 1982	5,565,000	-0-
Multifamily Housing Revenue Bonds, April 1983 Series 7	April 14, 1983	7,540,000	-0-
Multifamily Housing Revenue Bonds, April 1983 Series 9	April 14, 1983	670,000	-0-
Multifamily Housing Development Bonds, 1983 Series A	April 20, 1983	1,420,000	-0-
Multifamily Housing Revenue Bonds, 1985 Series A	March 15, 1985 and April 18, 1985	31,305,454	-0-
Multifamily Housing Revenue Bonds, 1985 Series B	August 15, 1985 and August 28, 1985	6,499,908	-0-
Multifamily Housing Revenue Bonds, 1985 Series C	December 1, 1985	1,530,000	-0-
Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, 1988 Series A	March 31, 1988	7,000,000	-0-
Multifamily Housing Refunding Bonds, 1991 Issue A	October 1, 1991	1,290,000	-0-
Multifamily Housing Refunding Bonds, 1992 Issue A	April 2, 1992	22,130,000	-0-
Multifamily Housing Refunding Bonds, 1993 Issue A	April 2, 1993	1,350,000	-0-
Multifamily Mortgage Revenue Refunding Bonds, 1994 Series A	April 1, 1994	3,710,000	-0-
Multifamily Housing Revenue Refunding Bonds (Cottonwood Apts.) Issue 1995	February 1, 1995	7,400,000	-0-
Multifamily Housing Revenue Refunding Bonds, (Candlestick apts.)	April 12, 1995	6,400,000	-0-
Multifamily Housing Revenue Bonds, (Colonial Pointe Apts.) Issue 1995	July 1, 1995	4,695,000	-0-
Variable Rate Multifamily Housing Revenue Bonds, (Aspen Villa Apts 95A&B)	October 6, 1995	6,400,000	-0-
Variable Rate Multifamily Housing Revenue Bonds, (Heather Estates Apts.) 1996 Issue A and B	June 7, 1996	6,300,000	-0-
Variable Rate Multifamily Housing Revenue Bonds, (Heather Estates Apts.) 1996 Issue C and D	June 7, 1996	3,500,000	-0-
Variable Rate Multifamily Housing Revenue Bonds, (Vine Villas pts.) 1996 A, B, and C	December 19, 1996	4,540,000	-0-
Multifamily Housing Refunding Bonds, 1996 Issue A	December 1, 1996	10,320,000	-0-
Revenue Bonds (RHA Community Services of Utah, Inc. Project) Series 1997 A and B	October 1, 1997	9,320,000	7,015,000
Multifamily Housing Revenue Refunding Bonds, (Heather Estates Apts.) Series 1998	January 8, 1998	9,800,000	-0-
Multifamily Housing Revenue Bonds, (Hartland Apartments Projects) 1998 Series A, B, and C	May 14, 1998	10,710,000	-0-
Multifamily Housing Revenue Refunding Bonds, (Aspen Villa Apts.)	June 11, 1998	6,360,000	-0-
Multifamily Housing Revenue Bonds, (Mayflower Harbor at Pilgrims Landing)	December 23, 1998	10,434,000	8,112,000
Multifamily Housing Revenue Bonds (Ridge at Jordan Landing)	August 1, 1999	13,795,000	-0-
GNMA Collateralized Mortgage Revenue Bonds (Country Oaks Apartments Project)	September 15, 1999	3,195,000	-0-

<u>Name of Issue</u>	<u>Dated</u>	Principal Amount (\$) ¹ <u>Principal Amount Issued</u>	<u>Outstanding as of April 1, 2013¹</u>
Multifamily Housing Mortgage Revenue Bonds (Bay Harbor Apartments at Slate Canyon Project)	December 17, 1999	3,600,000	2,768,000
Multifamily Housing Mortgage Revenue Bonds (Todd Hollow Apartments at Deer Mountain Project)	December 17, 1999	12,195,000	-0-
Multifamily Housing Mortgage Revenue Bonds (Riverview Apartments) Series 2000	March 30, 2000	6,150,000	-0-
Multifamily Housing Mortgage Revenue Bonds (Holiday Village Apartments) 2000 Series A	July 28, 2000	4,030,000	3,023,000
Multifamily Housing Revenue Bonds (Shaleh Meadows Apartments) 2000 Series A	November 1, 2000	6,600,000	-0-
Multifamily Housing Revenue Bonds (Tooele Gateway Project) Series 2000	December 15, 2000	3,263,000	2,744,000
Multifamily Housing Revenue Refunding Bonds, (Candlestick Apartments Project) Issue 2001	March 29, 2001	6,400,000	6,400,000
Multifamily Housing Mortgage Revenue Bonds (King's Row Apartments Project) Series 2001	March 30, 2001	7,500,000	6,485,000
Multifamily Housing Revenue Bonds (Diamond Fork Project) Series 2001	June 21, 2001	3,525,000	-0-
Multifamily Housing Revenue Bonds (Rose Cove Project) Series 2001	June 21, 2001	6,705,000	-0-
GNMA Collateralized Mortgage Revenue Bonds (Haven Point Project)	August 1, 2001	11,100,000	-0-
Multifamily Housing Revenue Bonds (Mill Creek II Project) Series 2001	September 21, 2001	1,850,000	1,502,000
GNMA Collateralized Mortgage Revenue Bonds (Holly Haven, Stonehedge I, Village Square II) Series 2001 A	December 1, 2001	6,895,000	5,985,000
GNMA Collateralized Mortgage Revenue Bonds (The Bluffs Apartments Project) Series 2002	June 1, 2002	11,700,000	-0-
GNMA Collateralized Mortgage Revenue Bonds (Bountiful Retreat Project) Series 2002	June 1, 2002	4,635,000	4,245,000
Multifamily Housing Revenue Bonds (City Front Apartments Project) Series 2002	July 10, 2002	9,700,000	-0-
GNMA Collateralized Mortgage Revenue Bonds (Canyon View Apartments Project) Series 2002	August 1, 2002	4,100,000	3,775,000
GNMA Collateralized Mortgage Revenue Bonds (Sunset Ridge Apartments Project)) Series 2003	February 1, 2003	15,500,000	14,475,000
GNMA Collateralized Mortgage Revenue Bonds (Coppergate Apartments Project) Series 2003	April 1, 2003	14,100,000	13,140,000
Multifamily Housing Mortgage Revenue Bonds (Layton Pointe Apartments Project) Series 2003	May 21, 2003	3,800,000	3,395,000
Multifamily Housing Revenue Refunding Bonds (Rose Cove Project) Series 2004	February 26, 2004	6,705,000	6,397,000
Multifamily Housing Revenue Refunding Bonds (Diamond Fork Project) Series 2004	February 26, 2004	3,525,000	-0-
Multifamily Housing Revenue Bonds (Tanglewood Apartments Project) Series 2004	April 14, 2004	9,400,000	9,400,000
Multifamily Housing Revenue Bonds	May 1, 2004	10,000,000	9,390,000

<u>Name of Issue</u>	<u>Dated</u>	Principal Amount (\$) ¹	
		<u>Principal Amount Issued</u>	<u>Outstanding as of April 1, 2013¹</u>
(Foxboro Terrace Apartments Project) Series 2004 Multifamily Housing Revenue Bonds	May 13, 2004	4,510,000	4,170,000
(Laurelwood Apartments Project) Series 2004 Multifamily Housing Revenue Refunding Bonds	October 6, 2004	12,061,000	-0-
(Todd Hollow Apartments at Deer Mountain Project) Series 2004 Multifamily Housing Revenue Bonds	January 14, 2005	8,100,000	6,990,000
(Cedar Pointe Project) Series 2004 GNMA Collateralized Mortgage Revenue Bonds	January 1, 2005	5,710,000	5,375,000
(Park Gate Apartments Project) Series 2005 GNMA Collateralized Mortgage Revenue Bonds	February 1, 2005	10,500,000	-0-
(Green Grove Apartments Project) Series 2005 Multifamily Housing Revenue Refunding Bonds	July 1, 2005	5,800,000	5,375,000
(Riverview Apartments Project) Series 2005 Multifamily Housing Revenue Bonds	September 27, 2005	8,485,000	8,485,000
(Springwood Apartments Project) Series 2005 A Military Housing Taxable Revenue Bonds	September 29, 2005	41,000,000	40,505,000
(Boyer Hill Military Housing Project) 2005 Series A Multifamily Housing Revenue Bonds	November 22, 2005	18,530,000	17,169,000
(Town Gate Apartments Project) Series 2005 Multifamily Housing Revenue Bonds	October 23, 2006	17,510,000	-0-
(Liberty Commons Apartments Project) Series 2006 Multifamily Housing Revenue Bonds Series 2007	July 25, 2007	11,100,000	10,865,000
(The Pointe Apartments Project) Multifamily Housing Revenue Refunding Bonds	June 12, 2008	12,061,000	11,440,000
(Todd Hollow Apartments at Deer Mountain Project) Multifamily Housing Revenue Bonds Series 2009 (Timbergate)	April 24, 2009	25,000,000	25,000,000
Multifamily Housing Revenue Bonds Series 2009 Florentine Villas	September 21, 2009	18,880,000	18,880,000
Multifamily Housing Revenue Bonds Series 2009 2009 A	December 9, 2009	31,800,000	-0-
Multifamily Housing Revenue Bonds Series 2009 (Liberty Commons Apartments Project) Series 2010	June 18, 2010	17,040,000	16,562,000
Multifamily Housing Revenue Bonds Series 2010 (Liberty Peak Apartments Project)	November 3, 2010	13,840,000	13,840,000
Multifamily Housing Revenue Bonds Series 2009 (Providence Place)	December 1, 2010	9,790,000	9,730,000

Multifamily Housing Revenue Bonds Series 2009 A/2011A (Fireclay II Apartments Project)	December 2, 2011	26,980,000	26,980,000
Multifamily Housing Revenue Bonds Series 2012 (State Street Plaza Project)	April 3, 2012	19,055,000	19,055,000
Multifamily Housing Revenue Bonds Series 2012 (Beacon Hill Apartments Project)	October 17, 2012	17,200,000	17,200,000
TOTAL		\$740,794,362	\$365,872,000

† Unless otherwise specified. Does not include \$20,000,000 aggregate principal amount of Utah Housing Corporation Single Family Mortgage Bonds, 2013 Series D (Federally Taxable) that UHC expects to issue on May 23, 2013.

¹ As of April 1, 2013, \$94,195,000 aggregate principal amount of UHC's outstanding single family mortgage revenue bonds were payable out of UHC's general revenues or moneys legally available therefor, subject only to agreements made or to be made with holders of notes, bonds or other obligations pledging particular revenues or moneys for the payment thereof.

² In addition, (i) in August 1980, UHC issued its \$8,000,000 Construction Loan Notes, 1980 Series A, all of which have been paid; and (ii) during 2004 and 2005, UHC issued as draw down bonds its \$4,545,000 General Revenue Office Building Bonds, Series 2004, \$580,000 of which are outstanding as of April 1, 2013.

(THIS PAGE INTENTIONALLY LEFT BLANK)

UHC FINANCIAL STATEMENTS

Utah Housing Corporation

(A Component Unit of the State of Utah)

Financial Statements as of and for the Year Ended
June 30, 2012, and Supplemental Schedules as of
and for the Year Ended June 30, 2012, and
Independent Auditors' Report

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012:	
Balance Sheet	8-9
Statement of Revenues, Expenses, and Changes in Net Assets	10
Statement of Cash Flows	11-12
Notes to Financial Statements	13-34
SUPPLEMENTAL SCHEDULES AS OF AND FOR THE YEAR ENDED JUNE 30, 2012:	35
Combining Balance Sheet	36
Combining Statement of Revenues, Expenses, and Changes in Net Assets	37
Combining Statement of Cash Flows	38-39

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Utah Housing Corporation
West Valley City, Utah

We have audited the accompanying balance sheet of the Utah Housing Corporation (the "Corporation"), a component unit of the State of Utah, as of June 30, 2012, and the related statements of revenues, expenses, and changes in net assets, and of cash flows for the year then ended. These basic financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utah Housing Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the basic financial position of the Corporation as of June 30, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 2 to the basic financial statements, the Corporation changed its method of accounting for conduit debt by removing the related balances from the financial statements and disclosing the balances in the footnotes.

Management's Discussion and Analysis, listed in the foregoing table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is also the responsibility of the management of Utah Housing Corporation. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental combining schedules are also the responsibility of the management of Utah Housing Corporation. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

September 17, 2012

UTAH HOUSING CORPORATION

(A Component Unit of the State of Utah)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012

This section of the Utah Housing Corporation's (the "Corporation") annual financial report presents the Corporation management's discussion and analysis of the Corporation's financial performance during the fiscal year ended June 30, 2012. It is intended to be read in conjunction with the Corporation's financial statements and accompanying notes.

Financial Highlights

The financial highlights of the Corporation as of June 30, 2012 compared with prior year balances are as follows:

- Total assets decreased \$28.9 million (-1.7%)
- Cash and cash equivalents increased \$16.4 million (19.5%)
- Investments decreased \$6.6 million (-1.6%)
- Total mortgage loans decreased \$64.3 million (-5.9%)
- Other revenues increased \$3.7 million (41.5%)
- Current maturities on bonds payable increased \$6.2 million (8.9%)
- Bonds payable decreased \$138.1 million (-10.3%)
- Note payable increased \$79.6 million
- Interest on cash and investments decreased \$756 thousand (-7.4%)
- Interest on loans decreased \$6.1 million (-10.0%)
- Operating revenues decreased \$3.1 million (-3.8%)
- Operating expenses decreased \$2.2 million (-2.8%)
- Operating income before fair value adjustments decreased \$862 thousand
- Deferred outflow of resources increased \$27.9 million (33.6%)
- Total net assets decreased \$444 thousand (0.2%)

Overview of the Financial Statements

This annual financial report consists of three parts: Management's Discussion and Analysis; the Financial Statements, including Notes to the Financial Statements; and Supplemental Schedules. The Corporation is an independent public corporation, is self-supporting, and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Corporation. These statements are presented in a manner similar to a private business, such as mortgage banking, mortgage servicing, real estate development, commercial lending, construction management, and private consulting. Summary information is presented for separate mortgage revenue bond programs in the Supplemental Schedules. More detailed information is not presented in this report, however separate accounts are maintained for each activity to control and manage those designated financial transactions.

In prior years the Corporation presented all information related to the issuance and performance of conduit debt as a combined part of the financial statements. The Corporation is not responsible for payments related to this debt. During the current year the multi-family mortgage purchase funds conduit debt and related information was removed from the financial statements and will only be presented in the notes to the financial

statements. The 2011 column represents the amounts as previously reported. The 2011 (Pro forma) column represents the amounts for 2011 with the conduit debt removed and related activity removed so it is consistent with the 2012 presentation. The changes compare the 2012 to the 2011 (pro forma). The results of this change between the 2011 and the 2011 (Pro forma) resulted in an overall decrease of loans receivable, restricted assets — investments, bonds payable, interest on loans receivable, interest on cash and investments, and interest expense of \$239.7 million, \$123.0 million, \$353.0 million, \$10.0 million, \$5.4 million and \$15.3 million, respectively.

Financial Analysis of the Corporation

The following table summarizes the changes in net assets between June 30, 2012 and 2011 (in thousands):

			Unaudited		
	2012	2011	2011	\$ Change	% Change
		Pro forma			
CURRENT ASSETS:					
Cash and cash equivalents	\$ 100,652	\$ 84,237	\$ 84,237	\$ 16,415	19.5 %
Investments	220,696	216,087	216,087	4,609	2.1
Current maturities of loans receivable	20,739	25,718	28,205	(4,979)	(19.4)
Interest receivable	5,662	6,525	6,933	(863)	(13.2)
Other current assets	1,226	1,462	1,462	(236)	(16.1)
Restricted assets — investments		19,017	47,870	(19,017)	(100.0)
Total current assets	<u>348,975</u>	<u>353,046</u>	<u>384,794</u>	<u>(4,071)</u>	<u>(1.2)</u>
NONCURRENT ASSETS:					
Investments	184,447	173,453	173,453	10,994	6.3
Loans receivable	999,610	1,059,025	1,296,214	(59,415)	(5.6)
Capital assets — net	5,814	6,057	6,057	(243)	(4.0)
Other assets	7,990	7,233	7,233	757	10.5
Deferred bond financing costs	10,628	12,270	12,270	(1,642)	(13.4)
Restricted assets — investments		3,232	97,402	(3,232)	(100.0)
Deferred outflow of resources	110,981	83,046	83,046	27,935	33.6
Total noncurrent assets	<u>1,319,470</u>	<u>1,344,316</u>	<u>1,675,675</u>	<u>(24,846)</u>	<u>(1.8)</u>
TOTAL	<u>\$ 1,668,445</u>	<u>\$ 1,697,362</u>	<u>\$ 2,060,469</u>	<u>\$ (28,917)</u>	<u>(1.7)%</u>
CURRENT LIABILITIES:					
Interest payable	\$ 27,873	\$ 29,594	\$ 35,405	\$ (1,721)	(5.8)%
Line of credit payable	6,782			6,782	
Current maturities of bonds payable	76,687	70,451	73,848	6,236	8.9
Current maturities of notes payable	10,530			10,530	
Other current liabilities	4,333	5,809	10,146	(1,476)	(25.4)
Total current liabilities	<u>126,205</u>	<u>105,854</u>	<u>119,399</u>	<u>20,351</u>	<u>19.2</u>
NONCURRENT LIABILITIES:					
Bonds payable	1,121,005	1,265,387	1,614,949	(144,382)	(11.4)
Notes payable	69,047			69,047	
Deferred revenue	6,798	7,790	7,790	(992)	(12.7)
Derivative liability	110,981	83,046	83,046	27,935	33.6
Other liabilities	501	933	933	(432)	(46.3)
Total noncurrent liabilities	<u>1,308,332</u>	<u>1,357,156</u>	<u>1,706,718</u>	<u>(48,824)</u>	<u>(3.6)</u>
Total liabilities	<u>1,434,537</u>	<u>1,463,010</u>	<u>1,826,117</u>	<u>(28,473)</u>	<u>(1.9)</u>
NET ASSETS:					
Invested in capital assets — net of debt	4,677	4,384	4,384	293	6.7
Restricted — expendable	162,729	169,210	169,210	(6,481)	(3.8)
Unrestricted	66,502	60,758	60,758	5,744	9.5
Total net assets	<u>233,908</u>	<u>234,352</u>	<u>234,352</u>	<u>(444)</u>	<u>(0.2)</u>
TOTAL	<u>\$ 1,668,445</u>	<u>\$ 1,697,362</u>	<u>\$ 2,060,469</u>	<u>\$ (28,917)</u>	<u>(1.7)%</u>

The following table summarizes the changes in operating income before fair value adjustments and changes in net assets between the years ended June 30, 2012 and 2011 (in thousands):

	Unaudited				
	2012	2011	2011	\$ Change	% Change
		Pro forma			
OPERATING REVENUES:					
Interest on loans receivable	\$ 54,786	\$ 60,878	\$ 70,900	\$ (6,092)	(10.0)%
Interest on cash and investments	9,405	10,161	15,529	(756)	(7.4)
Other revenues	12,842	9,077	9,077	3,765	41.5
Total operating revenues	77,033	80,116	95,506	(3,083)	(3.8)
OPERATING EXPENSES:					
Interest	58,866	59,766	75,068	(900)	(1.5)
Salaries and benefits	5,909	5,776	5,476	133	2.3
General operating expense	2,826	2,065	2,441	761	36.9
Loan servicing fees	3,307	3,514	3,526	(207)	(5.9)
Deferred cost amortization	4,214	4,880	4,880	(666)	(13.6)
Net provision for loan losses	2,119	3,459	3,459	(1,340)	(38.7)
Depreciation of capital assets	382	384	384	(2)	(0.5)
Total operating expenses	77,623	79,844	95,234	(2,221)	(2.8)
OPERATING INCOME (LOSS) BEFORE FAIR VALUE ADJUSTMENTS	(590)	272	272	(862)	(316.9)
Net increase in fair value of investments	48	193	193	(145)	(75.1)
Net nonoperating income (expense)	98			98	
CHANGE IN NET ASSETS	(444)	465	465	(909)	(195.5)
NET ASSETS — Beginning of year	234,352	233,887	233,887	465	0.2
NET ASSETS — End of year	\$233,908	\$234,352	\$234,352	\$ (444)	(0.2)%

Other Financial Analysis

The Corporation's Operating Income (Loss) for the fiscal year ended June 30, 2012 at (\$444,000) is lower, as compared to \$465,000 for the previous year. A more detailed analysis shows that the Operating Income (Loss) Before Fair Value Adjustments this year of (\$590,000) is \$862,000 less than the prior year. This decrease continues to reflect the increasing cost for liquidity required by the Corporation's variable rate bonds and the low interest rate environment. During the current year management took a proactive approach to find opportunities to enhance revenues. UHC was able to mitigate the loss of (\$750,000) of interest revenues as well as an increase in liquidity fees of 25 basis points or \$1,249,000. These additional revenues include the Corporation's ability to generate \$5.8 million on the sale of GNMA TBA securities at a premium, an increase of \$3.7 million. This was a great accomplishment given the inherent financial challenges within the Corporation's traditional business model.

The continuation of the low profitability, as reflected in the financial statements, is caused by the extensive disruption of the municipal bond market and the segments of the financial markets related to housing bonds. This disruption greatly impacts the Corporation's earnings and the fees it pays on bond liquidity agreements. In addition, the Corporation's interest revenues continue to be reduced due to the extremely low interest rate environment. Short-term money market rates have continued to be extremely low for the entire fiscal year ended June 30, 2012. The Corporation carries a larger amount of investments as mortgage loans prepay and

the bonds are held to match the interest rate swaps; therefore this low interest rate environment severely impacts interest income on investments, a major revenue source.

Interest revenues on the Corporation's mortgage loans decreased by \$6.1 million due to increased loan payoff and refinances occurring during the fiscal year. The Corporation was not able to issue any new Single-Family Mortgage Revenue Bonds during the year, but was able to issue \$79.6 million of collateralized notes payable and sell \$186.5 million of GNMA TBA securities to fund its new mortgage loan production.

The Corporation decreased its interest expense on bonds by \$900 thousand or -1.5 percent mainly due to the decreased interest paid on redeemed bonds. See the debt administration section below for more details.

The Corporation also continues to reevaluate the allowance for loan loss reserves as it relates to its uninsured second mortgage portfolio. Due to the continued level of write offs and delinquencies this allowance was maintained at levels consistent with the prior year.

The financial strength of the Corporation is represented by its quality loan portfolio of federally insured mortgage loans and large cash equivalent balance. The following two key ratios used by rating agencies to evaluate the industry, reaffirms that the Corporation remains financially strong.

The Corporation's *Adjusted Debt to Equity Ratio* (defined as total liabilities divided by the total net assets less prepaid expenses) is 6.14 times. This ratio is interpreted as having \$6.14 of debt for every dollar of equity. The Corporation's ratio is lower than last year's 6.25 as the Corporation did not issue any bonds and only issued \$79.6 million in notes payable and had a larger portion of bonds paid off during the year. The Corporation's ratio has trended downwards from a high of 18.3 times at the beginning of fiscal year 1993 as the Corporation's Net Assets have grown and stabilized.

The Corporation's *Net Interest Spread Ratio* (defined as total interest revenues less interest expense divided by total interest revenues) is 8.3 percent. This ratio is down from 15.9 percent last fiscal year and down from a high of 20.7 percent in 2008. It is a reflection of the distressed financial markets and low interest rate environment in which the Corporation must now operate. It is important to highlight that this ratio indicates that the Corporation's major bond programs, taken as a whole, continue to earn a small spread, even though it has been reduced over the past several years.

The fiscal year operating budget of \$6,295,500 was adequate to fund operations. There are no known conditions that will have a negative bearing on the Corporation's future operations.

Debt Administration

At fiscal year-end June 30, 2012, the Corporation had total debt outstanding of \$1,277 million, a decrease of \$58.6 million or 4.4 percent during the fiscal year, as shown in the table below. More detailed information about the Corporation's debt is presented in Note 8 and Note 10 to the financial statements.

The Corporation has also sold variable rate bonds to meet the demands of its overall funding strategy. These variable rate bonds are subject to tender by the bondholders upon surrender to the remarketing agent. In the event the remarketing agent is unable to remarket these bonds, the variable rate bonds will be, subject to certain conditions, purchased by a liquidity facility provider. Such purchase by the provider would require the Corporation to pay an increased predetermined interest rate on the bonds.

During the fiscal year the Corporation's variable rate bonds have been remarketed on a normal basis, where the interest paid on variable rate bonds, closely follows the receipt of revenues from the index based swaps. Nevertheless, in this current environment the Corporation's new liquidity agreements have required higher

fees which weaken the profitability of the single family program. Fees that were projected to be in the 15 bps range over the life of the bond issue have been as high as 95 bps for a short term. The Corporation is participating in the U. S. Treasury's Temporary Credit and Liquidity Program (TCLP) which increased its fees paid during the fiscal year to 40 bps for 2010, 65 bps for 2011, and 90 bps for 2012 thru 2015. Subsequent to the year ended June 30, 2012 the Corporation refunded and privately placed \$237.3 million of variable rate demand bonds with a corresponding amount of term index bonds, effectively eliminating the need for a corresponding amount of liquidity facility. The Corporation expects to be able to find alternative sources of liquidity for its remaining \$425.8 million of weekly adjusted variable rate bonds associated with various single-family programs before the expiration of the various liquidity provider programs.

The Corporation sold these variable rate bonds to decrease the mortgage rate and increase the volume of funding available to purchase qualified homes under the Corporation's low to moderate-income programs. Risks inherently associated with these variable rate bonds are largely mitigated by the use of pay-fixed, receive-variable interest rate swap contracts.

The swap agreements have notional amounts that amortize in accordance with the scheduled and or anticipated reduction in the related bond liability. The Corporation is potentially exposed to loss in the event of non-performance by the counter-party under the agreements or from early termination of the swap agreements. However, the Corporation does not anticipate such non-performance and expects to hold its swap agreements until it can exercise various call options to reduce the notional amounts, or until the stated termination dates. Additional information about the Corporation's swap contracts is presented in Note 9 to the financial statements.

The following table summarizes the changes in debt between fiscal years 2012 and 2011 (in thousands):

	2012	2011	% Increase (Decrease)
Notes payable	\$ 79,577	\$ -	
Taxable bonds payable	72,080	136,815	(47.32)%
Subordinate GO bonds payable	113,560	124,210	(8.57)
All other bonds payable	<u>1,012,052</u>	<u>1,074,813</u>	<u>(5.84)</u>
Total debt	<u>\$ 1,277,269</u>	<u>\$ 1,335,838</u>	<u>(4.38)%</u>

All bonds issued by the Corporation, except general obligation bonds, are special obligations of the Corporation and are payable solely from the designated revenues and assets derived from the proceeds of the bonds, and are not legal obligations of the State of Utah or any other political subdivision thereof.

Contacting the Corporation's Financial Management

This financial report is designed to provide the citizens of Utah, our constituents and investors with a general overview of the Corporation's finances and to demonstrate the Corporation's financial accountability over its resources. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Utah Housing Corporation, 2479 Lake Park Blvd., West Valley City, Utah 84120, call (801) 902-8200 or visit our website at: www.utahhousingcorp.org.

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

BALANCE SHEET
AS OF JUNE 30, 2012
(In thousands)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Notes 2, 3, 12, and 15)	\$ 100,652
Investments (Notes 2 and 3)	220,696
Current maturities of loans receivable (Note 4)	20,739
Interest receivable	5,662
Other current assets	<u>1,226</u>

Total current assets	<u>348,975</u>
----------------------	----------------

NONCURRENT ASSETS:

Investments (Notes 2 and 3)	184,447
Loans receivable (Note 4)	999,610
Capital assets — net (Note 5)	5,814
Other assets	7,990
Deferred bond financing costs (Note 2)	10,628
Deferred outflow of resources (Notes 2 and 9)	<u>110,981</u>

Total noncurrent assets	<u>1,319,470</u>
-------------------------	------------------

TOTAL	<u>\$1,668,445</u>
-------	--------------------

(Continued)

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

BALANCE SHEET
AS OF JUNE 30, 2012
(In thousands)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Interest payable	\$ 27,873
Line of credit payable (Note 7)	6,782
Current maturities of bonds payable (Note 8)	76,687
Current maturity of notes payable (Note 10)	10,530
Other current liabilities	<u>4,333</u>

Total current liabilities	<u>126,205</u>
---------------------------	----------------

NONCURRENT LIABILITIES:

Bonds payable (Notes 8 and 9)	1,121,005
Notes payable (Note 10)	69,047
Deferred revenue	6,798
Derivative instruments (Note 9)	110,981
Other liabilities	<u>501</u>

Total noncurrent liabilities	<u>1,308,332</u>
------------------------------	------------------

Total liabilities	<u>1,434,537</u>
-------------------	------------------

NET ASSETS:

Invested in capital assets — net of related debt	4,677
Restricted — expendable	162,729
Unrestricted (Note 16)	<u>66,502</u>

Total net assets	<u>233,908</u>
------------------	----------------

TOTAL	<u><u>\$1,668,445</u></u>
-------	---------------------------

See notes to financial statements.

(Concluded)

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(In thousands)

OPERATING REVENUES:

Interest on loans receivable	\$ 54,786
Interest on cash and investments (Notes 15 and 17)	9,405
Other revenues (Note 17)	12,842
Net increase in the fair value of investments (Note 2)	<u>48</u>

Total operating revenues	<u>77,081</u>
--------------------------	---------------

OPERATING EXPENSES:

Interest	58,866
Salaries and benefits	5,909
General operating expense	2,826
Loan servicing fees (Note 17)	3,307
Deferred cost amortization	4,214
Net provision for loan losses	2,119
Depreciation of capital assets	<u>382</u>

Total operating expenses	<u>77,623</u>
--------------------------	---------------

OPERATING INCOME (LOSS)	(542)
-------------------------	-------

NONOPERATING REVENUE (EXPENSE):

Grant revenue	144
Grant expense	<u>(46)</u>

Net nonoperating revenue (expense)	<u>98</u>
------------------------------------	-----------

CHANGE IN NET ASSETS	(444)
----------------------	-------

NET ASSETS — Beginning of year	<u>234,352</u>
--------------------------------	----------------

NET ASSETS — End of year	<u>\$ 233,908</u>
--------------------------	-------------------

See notes to financial statements.

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from interest on loans receivable	\$ 55,599
Cash received from payments on loans receivable	180,795
Cash received from other revenues	12,732
Cash received from sale of loan securities and other assets	187,432
Purchase of loans receivable	(304,888)
Cash payments for servicing fees	(4,948)
Cash payments for general operating expenses	(2,158)
Cash payments to employees for salaries and benefits	(5,994)

Net cash provided by operating activities 118,570

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Proceeds from notes payable	79,729
Principal paid on notes payable	(152)
Principal paid on bonds payable	(137,610)
Proceeds from line of credit payable	6,782
Principal paid on revolving credit agreement	(2,098)
Interest paid on bonds payable/notes payable/revolving credit agreement	(62,151)
Proceeds from interest rate swap agreements	2,556
Payments made on interest rate swap agreements	(1,705)
Payments of deferred assets	(2,779)
Proceeds from grant	144
Payments to grantees	(46)

Net cash used in non-capital financing activities (117,330)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchases of capital assets	(139)
Principal paid on capital debt	(536)
Interest paid on capital debt	(63)

Net cash used in capital and related financing activities (738)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(423,033)
Proceeds from sales and maturities of investments	429,490
Interest and dividends on investments	9,456

Net cash provided by investing activities 15,913

NET INCREASE IN CASH AND CASH EQUIVALENTS 16,415

CASH AND CASH EQUIVALENTS — Beginning of year 84,237

CASH AND CASH EQUIVALENTS — End of year \$ 100,652

(Continued)

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(In thousands)

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:

Operating loss	\$ (542)
----------------	----------

Adjustments to reconcile operating income to net cash provided by operating activities:

Adjustments for operating activities:

Depreciation	382
Changes in assets and liabilities:	
Decrease in receivables	65,207
Increase in other assets	(345)
Increase in other liabilities	351
Decrease in deferred revenue	<u>(110)</u>

Adjustments for operating activities	<u>65,485</u>
--------------------------------------	---------------

Adjustments for non-operating activities:

Interest on cash and investments	(9,405)
Net increase in the fair value of investments	(48)
Interest expense	58,866
Deferred cost amortization	<u>4,214</u>

Adjustments for non-operating activities	<u>53,627</u>
--	---------------

Total adjustments	<u>119,112</u>
-------------------	----------------

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 118,570</u>
---	-------------------

See notes to financial statements.

(Concluded)

UTAH HOUSING CORPORATION

(A Component Unit of the State of Utah)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

1. AUTHORIZING LEGISLATION

Utah Housing Corporation (the “Corporation”), previously known as Utah Housing Finance Agency, was created in 1975 by the Utah Legislature under the provisions of Part 9, Chapter 4, Title 9 of the Utah Code, Annotated 1953, as amended (the “Act”). The Act empowers the Corporation, among other things, to issue bonds and other obligations, and to purchase mortgage loans in furtherance of its purpose of providing safe and sanitary housing for persons of limited income residing in the State of Utah. The principal amount of bonds and other obligations outstanding is not limited by the Act.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Corporation, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain funds along with the accounting policies of such funds.

The Corporation has no taxing authority. Bonds and obligations issued by the Corporation do not constitute a debt of the State of Utah or any political subdivision thereof.

The Corporation is a component unit of the State of Utah and its financial statements are included in the general purpose financial statements of the State of Utah.

The Corporation has divided its operations into specific fund groups, as follows:

Operating Funds — These funds are primarily used to account for the operating expenses of the Corporation and the resources to maintain the Corporation’s general obligation rating. Revenues to operate the Corporation are provided from investment income within the operating fund and transfers of available cash from the other funds. See Note 16 regarding certain net assets designations.

Single-Family Mortgage Purchase Funds — These funds are established under the Single-Family Mortgage Revenue Bond Resolutions adopted at various dates. They account for proceeds from the sale of the Single-Family Mortgage Revenue Bonds, the debt service requirements of the bond indebtedness, and the mortgage loans on eligible single-family housing being financed from bond proceeds. Mortgage loans are insured by private mortgage insurance or the Federal Housing Administration, or guaranteed by the Veterans Administration.

The Corporation exercises its authority, granted by the Internal Revenue Code, to issue tax-exempt mortgage revenue bonds (MRBs) to provide funds for the purchase of mortgage loans to be made to finance the acquisition of single-family residences in the State of Utah by households of low and moderate-income. The Corporation has also issued various mortgage revenue bonds that are taxable.

Multi-Family Mortgage Purchase Funds — These funds are established under the Multi-Family Mortgage Purchase Bond Resolutions adopted at various dates. They account for the proceeds from the sale of the Multi-Family Mortgage Purchase Bonds, the debt service requirements of the bond indebtedness, and the mortgage loans on eligible multi-family housing being financed from bond proceeds.

Housing Development Funds — This fund is used to account for funds to assist in financing difficult-to-develop housing. Those activities include the acquisition, development, financing of new construction or rehabilitation of transitional housing, permanently affordable rental housing for very low income households, and others with special housing needs. In addition, these funds are used to make construction and long-term loans for affordable housing developments throughout Utah. These funds are also used to assist very low income first time homebuyers with down payment, closing costs and other forms of financial assistance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accounting and reporting policies of the Corporation conform with generally accepted accounting principles and follow the accrual basis of accounting. Financial activities of the Corporation are recorded in funds established under various bond resolutions. The administrative and operational activities, including the operating expenses of various programs, are recorded in the General Operating Fund and are not allocated to the various funds, except for fiduciary and other miscellaneous expenditures.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the Corporation applies all Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Cash and Cash Equivalents — Cash and cash equivalents consist principally of cash deposits, sweep account investments in money market funds, and investments in the Utah State Public Treasurer's Investment Fund.

Investments — Investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Guaranteed investment contracts (GICs) are carried at amortized cost.

Loans Receivable — Loans receivable are carried at the unpaid principal balance outstanding less the allowance for estimated loan losses and deferred commitment fees. Deferred commitment fees are recognized using the interest method over the estimated lives of the single-family loans.

Allowance for Loan Losses — The allowance for loan losses is a reserve against current operations based on management's estimate of expected future loan losses. Management's estimate considers such factors as the payment history of the loans, guarantees, mortgage insurance, historical loss experience, and overall economic conditions. Based on the review of the factors, a total reserve amount is calculated and a provision is made against current operations to reflect the estimated balance. While management uses available information to recognize losses future additions to the allowance may be necessary based on changes in economic conditions. At June 30, 2012, an allowance of \$2,633,000 has been recorded.

Interest Receivable — Interest on loans and investments is recognized as earned.

Capital Assets — Capital assets with an initial cost greater than \$1,000 are carried at amortized cost. Office equipment, furniture and fixtures, and vehicles are depreciated using the straight-line method over their estimated useful lives of 3 to 7 years. The building is depreciated using the straight-line method over an estimated useful life of 40 years.

Deferred Bond Financing Costs — Costs of issuing bonds are capitalized in the respective bond funds and amortized over the term of the bonds using the bonds outstanding method or are expensed upon early redemption of the bonds. During the fiscal year ended June 30, 2012 the Corporation recognized \$1,307,000 of expense for the fiscal year ended June 30, 2012, due to the early redemption of certain bonds.

Deferred Outflow of Resources/Derivative Instruments — The Corporation enters into various interest rate swap contracts and forward sales contracts as part of its overall funding strategy. The objective of these financial instruments is to increase the volume of funding available to purchase qualified homes under the Corporation's low to moderate-income programs. The Corporation has recorded the fair market value of its derivative investments on the financial statements and has evaluated and measured their effectiveness. All of the Corporation's derivative instruments were deemed to be effective, and the Corporation has deferred the changes in fair value for these derivatives and has reported them as deferred outflow of resources (see Note 9).

Transfers — The Corporation may make transfers among the various funds to meet the cash flow requirements of the individual programs or to account for equity and working capital contributions. The Corporation may transfer to the Operating Funds any commitment fees received that are not needed in the various program funds. The Corporation may also contribute amounts from the Operating Funds to provide assistance on certain bond issues.

Mortgage Loan Servicing — Mortgage loan servicing fees paid to the general operating fund are based on a stipulated percentage of the outstanding loan principal balances being serviced and are included in other revenues. Costs associated with the acquisition of loan servicing rights through the purchase of servicing contracts or bulk loan purchases from external mortgage servicers are deferred and amortized over the estimated lives of loans being serviced.

Use of Estimates — The preparation of these financial statements required the use of estimates and assumptions by management in determining the entity's assets, liabilities, revenues, and expenses. Actual results could differ materially from these estimates and assumptions.

Restricted Assets — Assets whose use is restricted are segregated on the financial statements. When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted as they are needed.

Nonoperating Revenue and Expense — During the current year the Corporation administered grants under different programs, these amounts are not part of normal operations of the Corporation and are included in nonoperating revenues and expenses.

Change in Accounting Policy — During the current year the Corporation changed its method of accounting for conduit debt. In conformance with GASB Codification of Government Accounting and Financial Reporting Standards Section C65 *Conduit Debt Obligations*, governmental entities have the option to record the conduit debt activity (where the outstanding balances of outstanding debt is grossed up on the balance sheet) or to merely disclose the year-end balance of bonds outstanding in the footnotes. The Corporation changed its method of accounting by removing the related balances from the financial statements and disclosing the balance in the footnotes. Reasons for this change include comparability to other housing finance agencies, the nature of the transactions, and the information received from outside parties. There was no effect on the net assets or the change in net assets of the Corporation as a result of this change.

3. CASH AND INVESTMENTS

Cash and investments at June 30, 2012, are summarized as follows (in thousands):

	Single-Family	Multi-Family	Operating	Housing Development	Total
Cash and cash equivalents	\$ 63,180	\$ 1,610	\$ 15,185	\$ 20,677	\$ 100,652
Investments	<u>404,764</u>	<u> </u>	<u>323</u>	<u>56</u>	<u>405,143</u>
Total	<u>\$ 467,944</u>	<u>\$ 1,610</u>	<u>\$ 15,508</u>	<u>\$ 20,733</u>	<u>\$ 505,795</u>

Cash deposits at June 30, 2012, are summarized as follows (in thousands):

Fund	Bank Balances	Book Balances
Single-Family	\$ 3,317	\$ 11,205
Multi-Family		
Operating	11,020	481
Housing Development	<u>7</u>	<u>7</u>
	<u>\$ 14,344</u>	<u>\$ 11,693</u>

The Corporation also invests in the Public Treasurer's Investment Pool (PTIF) which is a voluntary external local governmental investment pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, and Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share of the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurer's Office.

Custodial Credit Risk — Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to them. At June 30, 2012, all cash deposits were insured or collateralized. The Corporation does not have a formal deposit policy for custodial credit risk.

Investments — As of June 30, 2012, the Corporation had the following investments and maturities (in thousands):

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1–5	6–10	More Than 10
Money market mutual funds*	\$226,825	\$226,825	\$ -	\$ -	\$ -
Negotiable certificates of deposit	55	55			
Guaranteed investment contracts	114,037		14,907		99,130
U.S. agencies	70,410		1		70,409
Utah State Public Treasurer's Investment Fund*	<u>82,775</u>	<u>82,775</u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$494,102</u>	<u>\$309,655</u>	<u>\$14,908</u>	<u>\$ -</u>	<u>\$169,539</u>

* = Investments in the Utah State Public Treasurer's Investment Fund and Money Markets from checking sweep accounts are included in cash and cash equivalents in the financial statements.

Interest Rate Risk — The Corporation's policy for investment maturities is determined by various bond indentures and bond resolutions adopted by the Corporation. Excess cash is invested in the Utah State Public Treasurer's Investment Fund.

Custodial Credit Risk — Custodial credit risk for investments is the risk that, in the event of failure of the counter party, the Corporation will not be able to recover the value of the investment in the possession of an outside party. The Corporation does not have a formal policy for custodial credit risk.

The Corporation's investments were held in the Corporation's name by their custodian except \$6,483,000 in a money market sweep account where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the Corporation.

Credit Risk — Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Corporation, which also enable the underlying bonds to maintain their credit ratings. The investment activities are not subject to state statutes. As of June 30, 2012, the Corporation holds investments in money market mutual funds, securities issued and guaranteed by U.S. agencies (FNMA), and investments in state municipal bonds which are rated AAA by Standard & Poor's or Fitch, and Aaa by Moody's Investors Service. The underlying investments of the Corporation's sweep accounts are invested in a money market fund that is rated AAA by Standard & Poor's or Fitch, and Aaa by Moody's Investors Service. The Corporation's investment in Ginnie Mae (GNMA) securities are unrated and uninsured, however they are guaranteed by the full faith and credit of the Federal government. The Corporation's remaining investments are uninsured and unrated.

Concentration of Credit Risk — The Corporation places no limit on the amount the Corporation may invest in any one issuer. More than five percent of the Corporation's investments are in Federal National Mortgage Association (FNMA), CDC Guaranteed Investment Contracts, and Trinity investments. These investments are 11.10%, 9.39%, and 11.23%, respectively, of the Corporation's total investments at June 30, 2012.

4. LOANS RECEIVABLE

As of June 30, 2012, loans receivable consisted of the following (in thousands):

	Current Maturities	Long-Term Portion	Total
Single-Family Mortgage Purchase Funds	\$ 18,197	\$ 902,362	\$ 920,559
Operating Funds	1,503	90,907	92,410
Housing Development Funds	1,010	8,788	9,798
Multi-Family Mortgage Purchase Funds	29	206	235
Unamortized loan discount, commitments, and deferred costs — Single-Family Mortgage Purchase Funds		(20)	(20)
Allowance for loan losses	_____	_____(2,633)	_____(2,633)
Total	<u>\$ 20,739</u>	<u>\$ 999,610</u>	<u>\$ 1,020,349</u>

The weighted average mortgage rates for the Single-Family Mortgage Purchase Funds, Multi-Family Mortgage Purchase Funds, Operating Funds, and Housing Development Funds were 5.37%, 7.00%, 5.45%, and 4.50%, respectively, as of June 30, 2012.

The Corporation issues bonds and note payables and applies the proceeds to fund the purchase of qualified loans originated from certified lenders. The receipt of payments from these loans is restricted principally for the purpose of paying the related principal and interest.

The Corporation has \$2,680,000 in loans that have completed the foreclosure proceedings as of June 30, 2012, and are in the process of being conveyed to the Department of Housing and Urban Development. The amount is included in the Single-Family Mortgage Purchase Funds loans receivable.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated — land	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,472</u>
Total capital assets, not being depreciated	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>1,472</u>
Capital assets, being depreciated:				
Buildings and improvements	5,064			5,064
Furniture and fixtures	320			320
Equipment	1,562	139	(36)	1,665
Vehicles	<u>113</u>	<u> </u>	<u> </u>	<u>113</u>
Total capital assets being depreciated	<u>7,059</u>	<u>139</u>	<u>(36)</u>	<u>7,162</u>
Less accumulated depreciation for:				
Buildings and improvements	(796)	(114)		(910)
Furniture and fixtures	(259)	(16)		(275)
Equipment	(1,337)	(237)	36	(1,538)
Vehicles	<u>(82)</u>	<u>(15)</u>	<u> </u>	<u>(97)</u>
Total accumulated depreciation	<u>(2,474)</u>	<u>(382)</u>	<u>36</u>	<u>(2,820)</u>
Total capital assets, being depreciated — net	<u>4,585</u>	<u>(243)</u>	<u>-</u>	<u>4,342</u>
Capital assets — net	<u>\$ 6,057</u>	<u>\$ (243)</u>	<u>\$ -</u>	<u>\$ 5,814</u>

6. BOND RESERVE FUNDS

Substantially all cash and investments in the Single-Family Bond Purchase Funds are held by trustees and are restricted as to use as required by the various bond resolutions. Such restricted assets are included in funds and accounts within the program funds as established by the bond resolutions. Such funds typically include, among others, bond proceed funds, revenue funds, recovery of principal funds, debt service funds, redemption funds, and asset accumulation funds.

In addition to the funds referred to above, the resolutions provide for a debt service reserve fund and in some cases a mortgage reserve fund. The reserve requirements are defined in the bond documents based on maximum annual debt service requirements or some percentage of bonds outstanding for the debt service reserve fund and some percentage of mortgages outstanding for the mortgage reserve fund. As of June 30, 2012, these reserve requirements and the resulting restriction of cash and investments were as follows (in thousands):

	Minimum Requirement	Restricted Balance
Single-Family Mortgage Purchase Funds	<u>\$ 100,729</u>	<u>\$ 110,397</u>

7. REVOLVING CREDIT NOTES

The Corporation has a revolving credit agreement for the acquisition of mortgage loans receivable. During the current year the amount available was reduced from \$150,000,000 to \$50,000,000. This revolving credit agreement was scheduled to mature on July 14, 2012. The current outstanding balance as of June 30, 2012 was \$6,782,000. Interest paid on amounts drawn ranged from .947-1.068% and was calculated at 1 month LIBOR + .6%; with the 1 month LIBOR rate not to be less than .25%. Subsequent to the year ended June 30, 2012, this revolving line of credit was renewed and extended through July 12, 2013.

Total interest expense incurred on this revolving credit agreement for the year ended June 30, 2012, was \$2,000.

The Corporation also had a Revolving Credit Note with an initial balance of \$3,000,000, that matured on March 26, 2012. At June 30, 2012, there was no remaining balance outstanding. Interest on the Revolving Credit Note was calculated at the LIBOR advance rate with a minimum rate of 5.25%. The Revolving Credit Note initially consisted of three separate loans. The first loan, dated April 1, 2009, for \$500,000 with an interest rate of 5.25% was paid off during the year ended June 30, 2011. The second loan, dated June 26, 2008, for \$450,000 with an interest rate of 5.25% was paid off during the year ended June 30, 2012. The third loan dated November 24, 2008, for \$1,648,000 with an interest rate of 5.25%, was also paid off during the year ended June 30, 2012.

Total interest expense incurred on this revolving credit note for the year ended June 30, 2012, was \$19,000

8. LONG-TERM DEBT

Single-Family Mortgage Purchase Bonds — Bonds payable in each series or issue generally consist of both serial and term bonds maturing at annual or semi-annual intervals. Bonds payable consisted of the following at June 30, 2012 (in thousands):

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
1996 Series R	6.150%–6.150%	2016	\$ 1,175	\$ -	\$ 1,175
1996 Series B	6.250%–6.400%	2027	130		130
1996 Series C	6.350%–6.450%	2028	170		170
1996 Series D	6.200%–6.375%	2028	280		280
1998 Series A	5.200%–5.400%	2029	725		725
1998 Series D	5.250%–5.400%	2030	485		485
1998 Series E	5.375%–5.450%	2030	140		140
1998 Series F	5.000%–5.100%	2030	1,510		1,510
1998 Series G	4.900%–5.250%	2030	365		365
2000 Series B	6.100%–6.200%	2031	35		35
2000 Series C	5.610%–6.350%*	2031	575	8,735	9,310
2000 Series D	5.370%–7.470%*	2031	785	8,740	9,525
2000 Series E	5.380%–7.300%*	2032	835	8,715	9,550
2000 Series F	5.340%–7.150%*	2032	875	8,965	9,840
2000 Series G	5.070%–6.530%*	2032	895	8,825	9,720
2001 Series A	4.910%–5.650%*	2032	1,115	8,305	9,420
2001 Series B	4.860%–5.750%*	2032	1,435	7,320	8,755
2001 Series C	4.910%–5.650%*	2033	1,655	7,870	9,525
2001 Series D	4.840%–5.500%*	2033	1,865	7,670	9,535
2001 Series E	4.770%–5.500%*	2033	1,415	6,350	7,765
2001 Series F	4.580%–5.300%*	2033	1,865	9,180	11,045
2002 Series A	5.030%–5.600%*	2033	1,760	5,425	7,185
2002 Series B	4.980%–5.600%*	2033	2,225	9,115	11,340
2002 Series C	4.860%–5.250%*	2033	1,755	9,095	10,850
2002 Series D	4.795%–5.350%*	2033	1,820	9,280	11,100
2002 Series E	4.930%–4.950%*	2034	550	4,910	5,460
2002 Series F	4.310%–4.625%*	2034	960	6,780	7,740
2002 Series G	3.850%–4.875%*	2034	1,485	10,470	11,955
2003 Series A	4.200%–5.125%*	2034	1,785	8,295	10,080
2003 Series B	3.939%–4.950%*	2034	2,105	9,600	11,705
2003 Series C	4.300%–5.000%*	2034	1,925	8,330	10,255
2003 Series D	3.650%–4.600%	2034	5,670		5,670
2003 Series E	4.600%–5.600%*	2034	2,015	8,895	10,910
2003 Series F	4.620%–5.300%*	2034	1,215	5,585	6,800
2003 Series G	4.520%–5.150%*	2035	1,405	5,580	6,985
2004 Series A	4.340%–4.900%*	2035	1,380	4,825	6,205
2004 Series B	4.391%–5.100%*	2035	1,805	8,715	10,520
2004 Series C	4.524%–5.350%*	2035	1,850	8,220	10,070
2004 Series D	4.480%–5.250%*	2035	1,970	8,610	10,580
2004 Series E	4.370%–5.125%*	2036	2,300	10,475	12,775
2004 Series F	4.263%–5.050%*	2036	2,750	12,625	15,375
2004 Series G	4.163%–4.900%*	2036	2,790	12,715	15,505
2004 Series H	3.920%–4.750%*	2036	2,910	12,885	15,795
2004 Series I	4.370%–4.900%*	2036	2,265	10,815	13,080
2005 Series A	4.215%–4.700%*	2036	1,965	11,210	13,175

* - Interest rate includes swap rate for variable rate outstanding bonds

(Continued)

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
2005 Series B	4.295%–4.750%*	2036	\$ 1,945	\$ 11,380	\$ 13,325
2005 Series C	4.360%–4.900%*	2036	2,410	13,805	16,215
2005 Series D	4.010%–4.750%*	2036	2,905	13,980	16,885
2005 Series E	3.970%–4.600%*	2037	2,840	14,685	17,525
2005 Series F	4.165%–4.755%*	2037	2,905	13,045	15,950
2005 Series G	4.230%–4.800%*	2037	3,090	13,030	16,120
2005 Series H	4.424%–5.036%*	2037	3,135	14,195	17,330
2006 Series A	4.130%–5.060%*	2037	2,805	12,925	15,730
2006 Series B	4.200%–5.980%	2037	4,315		4,315
2006 Series C	5.200%–6.450%	2032	2,820		2,820
2006 Series D	5.100%–6.410%	2038	2,540		2,540
2006 Series E	5.000%–6.410%	2038	2,745		2,745
2006 Series F	4.200%–6.320%*	2038	6,395	13,130	19,525
2006 Series G	4.050%–5.920%	2034	4,415		4,415
2006 Series H	4.100%–5.920%	2038	10,260		10,260
2007 Series A	4.050%–5.880%	2035	11,110		11,110
2007 Series B	4.850%–6.010%	2038	7,360		7,360
2007 Series C	4.850%–5.960%	2038	8,480		8,480
2007 Series D	5.200%–6.390%	2039	6,210		6,210
2007 Series E	5.200%–5.350%	2039	11,780		11,780
2007 Series F	5.250%–5.400%	2039	6,265		6,265
2007 Series G	5.000%–6.160%	2039	7,710		7,710
2007 Series H	3.913%–5.840%*	2039	6,875	13,985	20,860
2008 Series A	3.730%–5.450%*	2039	9,190	16,450	25,640
2008 Series B	3.879%–5.900%*	2039	9,935	12,950	22,885
2008 Series C	3.713%–5.750%*	2039	3,735	22,240	25,975
2008 Series D	4.000%–5.625%*	2039	2,980	19,185	22,165
2008 Series E	3.299%–6.100%*	2040	8,155	14,000	22,155
2009 Series A	2.500%–4.450%	2038	2,755	78,600	81,355
2009 Series B	2.500%–4.450%	2039	1,345	72,455	73,800
2009 Series C	1.550%–4.500%	2040	58,860		58,860
2010 Series A	1.050%–4.950%	2041	68,750		68,750
2010 Series B	1.550%–4.625%	2041	105,305		105,305
2011 Series A	1.950%–5.750%	2041	74,070		74,070
Single-Family Mortgage Purchase Bonds Total			<u>\$533,385</u>	<u>\$663,170</u>	<u>\$ 1,196,555</u>

(Concluded)

All of the above described bonds are subject to early redemption after various dates at prices ranging from par to 105% of par.

Interest on the above bonds is payable semi-annually. Single-Family refunding variable issues pay interest monthly based on weekly changes in interest rates.

Of the bonds described in the bonds payable listing, \$72,080,000 is not excluded from gross income for federal income tax purposes and is therefore taxable. There are also \$69,065,000 of Mezzanine and Class II bonds. Additionally, there are \$113,560,000 of Subordinate and Class III bonds, which carry the Corporation's general obligation rating.

In the case that the variable rate bonds cannot be remarketed, the Corporation has entered into various irrevocable Standby Bond Purchase Agreements (Liquidity Facility) with the Temporary Credit and Liquidity Program (TCLP) at an original commitment amount of \$654,505,000 and an outstanding commitment amount of \$539,970,000 at June 30, 2012, Barclays Capital at an original commitment

amount of \$42,380,000, and an outstanding commitment amount of \$38,390,000, and Wells Fargo Bank, N.A. at an original commitment amount of \$93,510,000, and an outstanding commitment amount of \$84,810,000. These agreements provide that these institutions will provide funds to purchase the variable rate bonds that have been tendered and not remarketed. These liquidity providers receive a fee ranging from 12.5 to 90 basis points of the outstanding amount of the variable rate bonds paid on a quarterly basis. As of June 30, 2012, none of the original commitments listed above were available for replacement of existing liquidity facilities or to issue new variable rate bonds.

Annual sinking fund payments are generally required for all bonds during years with no annual maturities. The assets of each group of funds listed above are pledged for the payment of principal and interest on the bonds issued and to be issued by the respective programs.

Scheduled amounts of future debt service requirements, for the Single-Family Bond issues including principal maturities and sinking fund requirements for the years subsequent to June 30, 2012, are as follows (in thousands):

Year Ending June 30	Principal Amount	Interest Amount	Total
2013	\$ 76,130	\$ 49,480	\$ 125,610
2014	16,775	49,013	65,788
2015	18,360	48,273	66,633
2016	19,805	47,446	67,251
2017	21,715	46,540	68,255
2018–2022	145,630	214,913	360,543
2023–2027	191,375	176,768	368,143
2028–2032	280,075	124,213	404,288
2033–2037	297,870	57,330	355,200
2038–2042	128,820	8,830	137,650
	<u>\$ 1,196,555</u>	<u>\$ 822,806</u>	<u>\$ 2,019,361</u>

See Note 9 for debt service requirements for the Corporation's variable-rate debt and net swap payments.

General Revenue Office Building Bonds — The Corporation has issued revenue office building bonds in the amount of \$4,545,000 to finance the construction of a office building. The bonds bear interest at 3.80% to 4.10% and are due in semi-annual installments. As of June 30, 2012, the bonds outstanding totaled \$1,137,000.

Scheduled amounts of future debt service requirements for the general revenue office building bonds, including principal maturities for the years subsequent to June 30, 2012, are as follows (in thousands):

Year Ending June 30	Principal Amount	Interest Amount	Total
2013	\$ 557	\$ 40	\$ 597
2014	580	18	598
2015			-
2016			-
2017			-
	<u>\$1,137</u>	<u>\$ 58</u>	<u>\$1,195</u>

Changes in Long-Term Liabilities — Long-term debt activity for the year ended June 30, 2012, was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Single-family mortgage purchase bonds	\$ 1,312,155	\$ -	\$ (115,600)	\$ 1,196,555	\$ 76,130
General revenue office building bonds	<u>1,673</u>		<u>(536)</u>	<u>1,137</u>	<u>557</u>
Total bonds payable	1,313,828	-	(116,136)	1,197,692	76,687
Notes payable		79,729	(152)	79,577	10,530
Arbitrage payable	<u>393</u>	<u>144</u>	<u>(192)</u>	<u>345</u>	<u>32</u>
Total long-term debt	<u>\$ 1,314,221</u>	<u>\$ 79,873</u>	<u>\$ (116,480)</u>	<u>\$ 1,277,614</u>	<u>\$ 87,249</u>

Total interest expense incurred on long-term debt for the year ended June 30, 2012, was \$58,866,000 of which none was capitalized.

Under the Internal Revenue Code, arbitrage earnings on certain bond issues may be subject to rebate. At June 30, 2012, the accumulated accrual for estimated arbitrage rebates payable was \$345,000. Any expense or changes in the accrual for the year ended June 30, 2012, were included with interest income on cash and investments on the statement of revenues, expenses, and changes in net assets.

9. INTEREST RATE SWAPS

Objective of the Swaps — The Corporation has entered into synthetic fixed rate structures (variable rate debt combined with fixed interest rate swaps) to provide a lower cost of fixed rate financing versus issuing fixed rate bonds. In order to protect against the potential of rising interest rates on its variable rate debt, the Corporation has entered into 73 separate pay-fixed, receive-variable interest rate swaps as of June 30, 2012. Based on the assumption that the payments on the variable rate debt will be substantially offset by the receipts on the interest rate swaps, the net cost associated with the synthetic fixed rate structure over the life of the bonds will be less than what the Corporation would have paid had it issued fixed-rate debt.

Terms, Fair Values, and Credit Risk — The terms, including the fair values of the outstanding swaps as of June 30, 2012, are shown below. The notional amounts of the swaps matched the principal amounts of the associated debt at the time of issuance. Except as discussed under rollover risk, the Corporation’s swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated “bonds payable” category.

Interest Rate Swap Agreements (in thousands) —

Associated Single-Family Bond Issue	Outstanding Notional Amount	Effective Date	Fixed Rate Paid by the Corporation	Variable Rate Received from Counterparty	Fair Values	Swap Termination Date
2000C	\$ 8,445	November 20, 2008	5.610 %	SIFMA plus 0.27%	\$ (1,612)	July 1, 2022
2000D-1	7,120	November 20, 2008	5.370	SIFMA plus 0.27%	(1,442)	July 1, 2022
2000D-2	1,235	November 20, 2008	7.470	LIBOR plus 0.15%	(137)	January 1, 2016
2000E-1	7,335	November 20, 2008	5.380	SIFMA plus 0.27%	(1,493)	July 1, 2022
2000E-2	1,095	November 20, 2008	7.300	LIBOR plus 0.15%	(110)	January 1, 2016
2000F-2	6,130	November 20, 2008	5.340	SIFMA plus 0.27%	(1,308)	January 1, 2023
2000F-3	2,420	November 20, 2008	7.150	LIBOR plus 0.15%	(429)	January 1, 2019
2000G-2	5,525	November 20, 2008	5.070	SIFMA plus 0.27%	(1,112)	January 1, 2023
2000G-3	3,050	November 20, 2008	6.530	LIBOR plus 0.15%	(543)	January 1, 2020
2001A-2	8,390	November 20, 2008	4.910	SIFMA plus 0.27%	(1,451)	July 1, 2023
2001B	8,170	November 20, 2008	4.860	SIFMA plus 0.27%	(1,450)	July 1, 2023
2001C-1	8,195	November 20, 2008	4.910	SIFMA plus 0.27%	(1,494)	January 1, 2024
2001D-1	8,450	November 20, 2008	4.840	SIFMA plus 0.27%	(1,560)	January 1, 2024
2001E-1	8,510	November 18, 2008	4.770	SIFMA plus 0.27%	(1,525)	January 1, 2024
2001F-1	8,715	November 18, 2008	4.580	SIFMA plus 0.27%	(1,581)	January 1, 2026
2002A-1	8,845	November 20, 2008	5.030	SIFMA plus 0.27%	(1,778)	January 1, 2024
2002B	8,815	November 20, 2008	4.980	SIFMA plus 0.27%	(1,760)	January 1, 2025
2002C-2	9,095	November 20, 2008	4.860	SIFMA plus 0.27%	(1,816)	January 1, 2025
2002D-2	6,990	November 20, 2008	4.795	SIFMA plus 0.27%	(1,538)	July 1, 2025
2002D-3	1,665	November 20, 2008	5.148	LIBOR plus 0.15%	(175)	January 1, 2019
2002E-2	4,720	November 20, 2008	4.930	SIFMA plus 0.27%	(939)	January 1, 2026
2002F-1	6,165	November 20, 2008	4.310	SIFMA plus 0.27%	(985)	January 1, 2026
2002G-2	10,150	November 20, 2008	4.220	SIFMA plus 0.27%	(1,600)	July 1, 2026
2003A	8,710	November 20, 2008	4.200	SIFMA plus 0.27%	(1,438)	July 1, 2026
2003B-2	9,595	November 18, 2008	3.939	SIFMA plus 0.27%	(1,321)	July 1, 2025
2003C	8,350	November 18, 2008	4.300	SIFMA plus 0.27%	(1,411)	January 1, 2027
2003E-2	8,715	November 18, 2008	4.990	SIFMA plus 0.27%	(1,877)	January 1, 2027
2003F	5,765	November 18, 2008	4.620	SIFMA plus 0.27%	(873)	July 1, 2022
2003G	5,765	November 18, 2008	4.520	SIFMA plus 0.27%	(847)	July 1, 2022
2004A	4,880	November 18, 2008	4.340	SIFMA plus 0.27%	(683)	July 1, 2021
2004B	7,635	November 19, 2008	4.391	SIFMA plus 0.27%	(1,466)	July 1, 2027
2004C	9,185	November 19, 2008	4.524	SIFMA plus 0.27%	(1,859)	January 1, 2028
2004D	9,320	November 19, 2008	4.480	SIFMA plus 0.27%	(1,861)	January 1, 2028
2004E	10,475	November 19, 2008	4.370	SIFMA plus 0.27%	(1,878)	January 1, 2028
2004F	12,625	November 19, 2008	4.263	SIFMA plus 0.27%	(2,165)	January 1, 2028
2004G	12,715	November 19, 2008	4.163	SIFMA plus 0.27%	(2,098)	January 1, 2028
2004H	12,885	November 19, 2008	3.920	SIFMA plus 0.27%	(1,925)	January 1, 2028
2004I	10,815	November 19, 2008	4.370	SIFMA plus 0.27%	(1,090)	July 1, 2028
2005A	11,210	November 19, 2008	4.215	SIFMA plus 0.27%	(1,072)	July 1, 2028

(Continued)

Associated Single-Family Bond Issue	Outstanding Notional Amount	Effective Date	Fixed Rate Paid by the Corporation	Variable Rate Received from Counterparty	Fair Values	Swap Termination Date
2005B	\$ 11,380	November 19, 2008	4.295 %	SIFMA plus 0.27%	\$ (1,119)	July 1, 2028
2005C	13,805	November 19, 2008	4.360	SIFMA plus 0.27%	(1,389)	July 1, 2028
2005D	13,980	November 19, 2008	4.010	SIFMA plus 0.27%	(1,351)	July 1, 2028
2005E	14,685	November 19, 2008	3.970	SIFMA plus 0.27%	(1,367)	July 1, 2028
2005F	14,160	November 19, 2008	4.165	SIFMA plus 0.27%	(1,819)	July 1, 2028
2005F-2	505	November 19, 2008	4.755	LIBOR plus 0.15%	(1)	July 1, 2012
2005G	14,065	November 19, 2008	4.230	SIFMA plus 0.27%	(1,898)	January 1, 2029
2005G-2	890	November 19, 2008	4.795	LIBOR plus 0.15%	(5)	January 1, 2013
2005H	14,335	November 19, 2008	4.424	SIFMA plus 0.27%	(1,909)	January 1, 2029
2005H-2	1,055	November 19, 2008	5.036	LIBOR plus 0.15%	(9)	January 1, 2013
2006A	7,475	November 19, 2008	4.130	SIFMA plus 0.27%	(1,494)	January 1, 2026
2006A-2	6,250	November 19, 2008	5.060	LIBOR plus 0.15%	(667)	July 1, 2020
2006B	9,645	November 19, 2008	4.240	SIFMA plus 0.27%	(1,269)	January 1, 2023
2006C	11,745	November 19, 2008	4.620	SIFMA plus 0.27%	(1,062)	July 1, 2025
2006D	13,655	November 19, 2008	4.490	SIFMA plus 0.27%	(1,957)	July 1, 2029
2006E	13,180	November 19, 2008	4.520	SIFMA plus 0.27%	(2,540)	July 1, 2029
2006F	13,180	November 19, 2008	4.251	SIFMA plus 0.27%	(2,950)	July 1, 2029
2006G	12,000	November 19, 2008	4.125	SIFMA plus 0.27%	(2,570)	January 1, 2030
2006H	9,000	November 19, 2008	3.910	SIFMA plus 0.11%	(1,739)	July 1, 2026
2007A	12,000	November 19, 2008	3.883	SIFMA plus 0.11%	(2,423)	July 1, 2030
2007B	12,000	November 19, 2008	3.950	SIFMA plus 0.11%	(2,038)	July 1, 2026
2007C	13,300	November 19, 2008	3.930	SIFMA plus 0.11%	(2,579)	July 1, 2028
2007D	10,500	November 19, 2008	4.253	SIFMA plus 0.11%	(2,280)	July 1, 2026
2007E	8,750	November 19, 2008	4.149	SIFMA plus 0.11%	(1,783)	January 1, 2026
2007F	14,000	November 19, 2008	3.910	SIFMA plus 0.11%	(2,239)	January 1, 2026
2007G	14,000	November 19, 2008	4.058	SIFMA plus 0.11%	(2,407)	January 1, 2026
2007H	14,000	November 19, 2008	3.913	SIFMA plus 0.11%	(2,285)	January 1, 2026
2008A	16,450	November 19, 2008	3.730	SIFMA plus 0.11%	(2,659)	July 1, 2028
2008B	12,950	November 19, 2008	3.879	SIFMA plus 0.08%	(2,418)	July 1, 2027
2008C-1	11,325	November 19, 2008	3.713	SIFMA plus 0.08%	(2,331)	July 1, 2032
2008C-2	12,805	November 19, 2008	5.301	LIBOR plus 0.01%	(1,068)	January 1, 2038
2008D-1	11,325	November 19, 2008	4.000	SIFMA plus 0.08%	(2,698)	July 1, 2032
2008D-2	12,805	November 19, 2008	5.545	LIBOR plus 0.01%	(1,147)	January 1, 2038
2008E	<u>14,000</u>	October 7, 2008	3.299	SIFMA	<u>(1,527)</u>	July 1, 2023
	<u>\$683,075</u>				<u>\$(110,699)</u>	

(Concluded)

Fair Values — The fair values of swaps are a function of market interest rates and the remaining term on the swap contracts. The fair values of the swap contracts were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit Risk — The Corporation's swap contracts do not require it to post collateral at anytime. The Corporation believes that the high credit rating of the counter parties will mitigate most credit risk associated with the derivatives' fair value in the event that the derivative instruments have a positive fair value.

During the year ended June 30, 2009, the Corporation received a net gain of \$8,903,000 in connection with the replacement of their swaps. This net gain is represented in the financial statements as deferred

revenue and is being amortized over the life of the swap agreements. The ability to acquire replacement swaps demonstrates a strong mitigating factor associated with credit and fair value risks.

Basis Risk — The Corporation's tax-exempt variable-rate bond coupon payments have historically been substantially the same as the SIFMA rate. Its taxable variable-rate bond coupon payments have historically been substantially the same as the LIBOR rate. At June 30, 2012, the weighted average interest rate on the Corporation's variable-rate hedged debt is .18%, while the SIFMA swap index is .18% and the 1 month LIBOR is 0.245%. As the interest rate swaps pay a variable rate based on the SIFMA rate (tax-exempt debt) or the LIBOR rate (taxable debt), the Corporation therefore has limited exposure to basis risk except as disclosed below under the cross-over risk.

Cross-Over Risk — Forty-nine of the Corporation's SIFMA-based swaps are exposed to additional basis risk if the LIBOR rate is 3.5% or greater and in some cases 4.0% or greater. When the LIBOR rate is greater than 3.5% or 4.0%, the provider will pay the Corporation 68% of the LIBOR rate, rather than the SIFMA rate. Historically, on average, 68% of the LIBOR rate has been substantially the same as the Corporation's tax-exempt variable-rate bond coupon payments. However, this relationship has been subject to more basis risk than the relationship between SIFMA and the Corporation's tax-exempt variable-rate bond payments.

Termination Risk — The Corporation or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. In addition, the Corporation has the option to terminate at any time at market rates (i.e., fair value adjusted for the counterparty's transaction costs).

Rollover Risk — The Corporation is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When these swaps terminate, or in the case of the termination option, the Corporation will not realize the synthetic rate offered by the swaps on the underlying debt issues. The following debt is exposed to rollover risk:

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
UHCSFMB2000C1	July 1, 2031	July 1, 2022
UHCSFMB2000D2	July 1, 2031	January 1, 2016
UHCSFMB2000D1	July 1, 2031	July 1, 2022
UHCSFMB2000E2	January 1, 2032	January 1, 2016
UHCSFMB2000E1	July 1, 2031	July 1, 2022
UHCSFMB2000F3	January 1, 2032	January 1, 2019
UHCSFMB2000F2	January 1, 2030	January 1, 2023
UHCSFMB2000G3	July 1, 2032	January 1, 2020
UHCSFMB2000G2	July 1, 2030	January 1, 2023
UHCSFMB2001A2	July 1, 2032	July 1, 2023
UHCSFMB2001B	July 1, 2032	July 1, 2023
UHCSFMB2001C1	January 1, 2033	January 1, 2024
UHCSFMB2001D1	January 1, 2033	January 1, 2024
UHCSFMB2001E1	January 1, 2033	January 1, 2024
UHCSFMB2001F1	July 1, 2033	January 1, 2026

(Continued)

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
UHCSFMB2002A1	July 1, 2033	January 1, 2024
UHCSFMB2002B	July 1, 2033	January 1, 2025
UHCSFMB2002C2	July 1, 2033	January 1, 2025
UHCSFMB2002D3	July 1, 2033	January 1, 2019
UHCSFMB2002D2	January 1, 2033	July 1, 2025
UHCSFMB2002E2	January 1, 2034	January 1, 2026
UHCSFMB2002F	January 1, 2034	January 1, 2026
UHCSFMB2002G	January 1, 2034	July 1, 2026
UHCSFMB2003A	January 1, 2034	July 1, 2026
UHCSFMB2003B	July 1, 2034	July 1, 2025
UHCSFMB2003C	July 1, 2034	January 1, 2027
UHCSFMB2003E	July 1, 2034	January 1, 2027
UHCSFMB2003F	July 1, 2034	July 1, 2022
UHCSFMB2003G	January 1, 2035	July 1, 2022
UHCSFMB2004A	July 1, 2035	July 1, 2021
UHCSFMB2004B	July 1, 2035	July 1, 2027
UHCSFMB2004C	July 1, 2035	January 1, 2028
UHCSFMB2004D	July 1, 2035	January 1, 2028
UHCSFMB2004E	July 1, 2036	January 1, 2028
UHCSFMB2004F	January 1, 2036	January 1, 2028
UHCSFMB2004G	January 1, 2036	January 1, 2028
UHCSFMB2004H	January 1, 2036	January 1, 2028
UHCSFMB2004I	July 1, 2036	July 1, 2028
UHCSFMB2005A	July 1, 2036	July 1, 2028
UHCSFMB2005B	July 1, 2036	July 1, 2028
UHCSFMB2005C	July 1, 2036	July 1, 2028
UHCSFMB2005D	July 1, 2036	July 1, 2028
UHCSFMB2005E	January 1, 2037	July 1, 2028
UHCSFMB2005F-1	January 1, 2037	July 1, 2028
UHCSFMB2005F-2	July 1, 2028	July 1, 2012
UHCSFMB2005G-1	January 1, 2037	January 1, 2029
UHCSFMB2005G-2	July 1, 2028	January 1, 2013
UHCSFMB2005H-1	January 1, 2037	January 1, 2029
UHCSFMB2005H-2	July 1, 2027	January 1, 2013
UHCSFMB2006A-2	January 1, 2034	July 1, 2020
UHCSFMB2006A	July 1, 2037	January 1, 2026
UHCSFMB2009A	July 1, 2038	January 1, 2023
UHCSFMB2009A	July 1, 2038	July 1, 2025
UHCSFMB2009A	July 1, 2038	July 1, 2029
UHCSFMB2009A	July 1, 2038	July 1, 2029
UHCSFMB2006F	January 1, 2038	July 1, 2029
UHCSFMB2009A	July 1, 2038	January 1, 2030
UHCSFMB2009A	July 1, 2038	July 1, 2026
UHCSFMB2009A	July 1, 2038	July 1, 2030
UHCSFMB2009B	January 1, 2039	July 1, 2026
UHCSFMB2009B	January 1, 2039	July 1, 2028
UHCSFMB2009B	January 1, 2039	July 1, 2026

(Continued)

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
UHCSFMB2009B	January 1, 2039	January 1, 2026
UHCSFMB2009B	January 1, 2039	January 1, 2026
UHCSFMB2009B	January 1, 2039	January 1, 2026
UHCSFMB2007H	January 1, 2039	January 1, 2026
UHCSFMB2008A	July 1, 2039	July 1, 2028
UHCSFMB2008B	July 1, 2039	July 1, 2027
UHCSFMB2008C1	July 1, 2039	July 1, 2032
UHCSFMB2008C2	January 1, 2038	January 1, 2038
UHCSFMB2008D1	July 1, 2039	July 1, 2032
UHCSFMB2008D2	January 1, 2038	January 1, 2038
UHCSFMB2008E	January 1, 2040	July 1, 2023

(Concluded)

Swap Payments and Associated Debt — Using rates as of June 30, 2012, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are as follows (in thousands):

Fiscal Year Ending June 30	Variable-Rate Bonds		Interest Rate Swaps — Net	Total
	Principal	Interest		
2013	\$ 19,665	\$ 1,161	\$ 32,998	\$ 53,824
2014	2,170	1,126	32,858	36,154
2015	3,050	1,123	32,764	36,937
2016	4,180	1,117	32,629	37,926
2017	5,705	1,110	32,445	39,260
2018–2022	68,140	5,294	155,820	229,254
2023–2027	109,970	4,561	135,260	249,791
2028–2032	192,300	3,324	100,727	296,351
2033–2037	203,365	1,514	48,305	253,184
2038–2042	54,625	149	6,396	61,170
	<u>\$ 663,170</u>	<u>\$ 20,479</u>	<u>\$ 610,202</u>	<u>\$ 1,293,851</u>

Forward Sales Contracts — Forward sales securities commitments and private sales commitments are utilized to hedge changes in fair value of mortgage loan inventory and commitments to originate mortgage loans. At June 30, 2012, the Corporation had executed 6 forward sales transactions with a \$39,300,000 notional amount and a (\$282,000) fair market value. The forward sales are scheduled to settle by August 20, 2012.

10. NOTES PAYABLE

During the year ended June 30, 2012, the Corporation entered into an agreement with a financial institution to provide a source of capital for the purchase of single family mortgage loans. Under the terms of this agreement the Corporation is obligated to make a scheduled monthly principal and interest payment based on the 6-Year Libor Swap Rate, plus any principal curtailments received on the underlying loans receivable. The rates applicable to the currently outstanding balance were between 2.341%-2.685%.

There are \$79,467,000 of single-family loans receivable which are pledged to provide the corresponding principal and interest payments related to this agreement. Payments made under this agreement will occur until the maturity of the underlying loans receivable mature or are paid in full.

The future expected debt service payments as of June 30, 2012 were (in thousands):

Year Ending June 30	Principal Amount	Interest Amount	Total
2013	\$ 10,530	\$ 1,879	\$ 12,409
2014	10,798	1,611	12,409
2015	11,072	1,337	12,409
2016	11,354	1,055	12,409
2017	11,642	767	12,409
2018–2022	<u>24,181</u>	<u>638</u>	<u>24,819</u>
	<u>\$ 79,577</u>	<u>\$ 7,287</u>	<u>\$ 86,864</u>

11. CONDUIT DEBT

The Corporation has issued Multi-Family Mortgage Purchase Bonds as conduit debt obligations. The Corporation is not obligated in any manner for repayment of the conduit debt. The Corporation has not included the activity of these bonds in the financial statements for the current year; see Note 2 for change in accounting policy related to conduit debt. Conduit debt consisted of the following issues at June 30, 2012 (in thousands):

Bond Issue	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
1995 Issue C, Candlestick	Variable weekly rate	2025	\$ -	\$ 6,400	\$ 6,400
1997 Series A & B, RHA	6.875%–6.875%	2027	7,280		7,280
1998 Series B, Mayflower Harbor	5.400%–5.400%	2031	8,365		8,365
1999 Series A, Jordan Landing	5.900%–8.000%	2037	12,465		12,465
1999 Series A & B, Bay Harbour	6.300%–6.300%	2031	2,858		2,858
1998 Series, Todd Hollow	5.300%–6.250%	2043	11,560		11,560
2000 Series, Riverview	6.200%–7.375%	2023	5,445		5,445
2000 Series A, Holiday Village	7.500%–7.500%	2032	3,097		3,097
2000 Series, Tooele Gateway	6.320%–6.320%	2033	2,792		2,792
2001 Series, Kings Row	6.550%–7.950%	2033	6,625		6,625
2001 Series, Rose Cove	6.600%–6.600%	2046	6,441		6,441
2001A Series, Haven Pointe	5.450%–7.250%	2043	10,370		10,370
2001 Series, Millcreek II	6.000%–6.000%	2019	1,538		1,538
2001 Series, GNMA	5.400%–6.250%	2037	6,095		6,095
2002A Series, The Bluffs	5.600%–6.210%	2044	10,940		10,940
2002A Series, Bountiful Retreat	6.000%–6.000%	2043	4,295		4,295
2002A Series, Canyon View	4.870%–5.350%	2044	3,815		3,815
2003A Series, Sunset Ridge	5.200%–6.100%	2045	14,620		14,620
2003A Series, Coppergate	5.150%–5.900%	2045	13,280		13,280
2003 Series, Layton Pointe	6.500%–6.500%	2035	3,430		3,430
2004 A & B Series, Tanglewood	Variable weekly rate	2035		9,400	9,400
2004 A & A-T Series, Laurelwood	5.050%–5.260%	2042	4,220		4,220
2004 A Series, Foxboro Terrace	4.300%–5.150%	2046	9,490		9,490
2005 Series, Park Gate	4.150%–5.100%	2046	5,435		5,435
2004 Series, Cedar Pointe	5.300%–5.300%	2032	7,200		7,200
2005 A Series, Springwood	Variable weekly rate	2035		8,485	8,485
2005 A Series, Boyer Hill Military Housing	5.392%–5.442%	2050	40,840		40,840
2005 A & B Series, Towne Gate	5.440%–7.000%	2037	17,410		17,410
2006 A-1 & A-2 Series, Liberty Commons	5.590%–6.500%	2041	16,717		16,717
2007 Series, The Pointe	4.230%–4.230%	2024	10,940		10,940
2009 A Series, Timbergate	Variable weekly rate	2042		25,000	25,000
2009 A Series, Florentine Villas	Variable weekly rate	2049		18,100	18,100
2010 A Series, Providence Place	3.01%–3.01%	2051	9,790		9,790
2010 A Series, Liberty Park	1.550%–4.250%	2028	13,840		13,840
2011 A Series, Fireclay II	1.250%–4.000%	2051	26,980		26,980
2012 A Series, State Street	1.700%–4.100%	2030	19,055		19,055
Multi-family Mortgage Purchase Bonds total			<u>\$317,228</u>	<u>\$ 67,385</u>	<u>\$384,613</u>

12. COMMITMENTS

As of June 30, 2012, the Corporation is committed to purchase mortgages under the warehouse loans and the Single-Family Mortgage Purchase Funds in the amount of \$70,021,000. These mortgage commitments will be funded through cash and cash equivalents.

13. RETIREMENT PLANS

Plan Description — Utah Housing Corporation contributes to the State and School Contributory Retirement Tier 1 and Tier 2 System, and the State and School Noncontributory Retirement System Tier 1 cost sharing multiple employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with the retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy — Plan members in the State and School Contributory Retirement Tier 1 System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Utah Housing Corporation is required to contribute 12.37% of their annual covered salary. Utah Housing Corporation is required to contribute 12.74% of the employees' annual covered salary for members in the State and School Contributory Retirement Tier 2 System. In the State and School Noncontributory Retirement System, Utah Housing Corporation is required to contribute 16.86% of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Utah Housing Corporation contributions to the State and School Contributory Retirement System for the year ending June 30, 2012, 2011, and 2010, were \$82,000, \$64,000, and \$53,000, respectively, and for the Noncontributory Retirement System the contributions for June 30, 2012, 2011, and 2010, were \$574,000, \$504,000, and \$410,000, respectively. The contributions were equal to the required contributions for each year.

The Corporation's full-time employees also participate in a 401(k) plan administered by the System. The Corporation's contributions to the plan for the years ending June 30, 2012, 2011, and 2010, were \$67,000, \$57,000, and \$46,000, respectively. Employees' contributions under this plan for the years ended June 30, 2012, 2011, and 2010, were \$168,000, \$145,000, and \$152,000, respectively.

14. DIVERSITY OF CREDIT RISK

The Corporation purchases mortgage loans secured by residences located throughout the State of Utah. Loans are diversified geographically in approximate proportion to population dispersion.

Guidelines affecting diversity of risk have been established by Corporation management, mortgage insurers, and bond rating agencies in order to minimize losses in the event that certain projects, geographic areas, or industrial sectors within the state may be adversely affected by natural or economic disaster.

15. RELATED PARTY TRANSACTIONS

At June 30, 2012, the Corporation had \$82,775,000 in an investment pool maintained by the Utah State Treasurer and had earned interest income for the year then ended of \$491,000. During the year ended June 30, 2012, the Corporation recorded expenses of \$1,570,000 in the General Operating Fund for retirement plan and health insurance expenses paid to the State of Utah or agencies thereof.

The Act prohibits any member or employee of the Corporation from participating in any action by the Corporation authorizing a transaction to which the member or employee of the Corporation has or will have a direct or indirect interest unless it is disclosed in a public meeting.

16. NET ASSETS

Net assets are classified as invested in capital assets, restricted or unrestricted. Invested in capital assets represents investments in buildings, office equipment and furniture net of depreciation and debt. Restricted net assets represents equity that is restricted as required by the various bond resolutions.

Unrestricted net assets represents equity not restricted. The Corporation's board and management have designated the unrestricted net assets for the following purposes at June 30, 2012 (in thousands):

Future operating expenses	\$ 14,412
First home plus assistance	12,000
Swap liquidity reserve	10,000
Debt service shortfall and maintenance of bond ratings	<u>30,090</u>
Total	<u>\$ 66,502</u>

These designations are reviewed annually by the Corporation's board and management as to amount and purpose.

17. MORTGAGE LOAN SERVICING

The Corporation's mortgage servicing department serviced a total of 19,095 loans with unpaid principal balances of \$1,385,944,000 as of June 30, 2012. Escrow cash balances for these loans were \$15,653,000 at June 30, 2012. These escrow balances are not included in the accompanying financial statements.

During the year ended June 30, 2012, the Corporation purchased and capitalized loan servicing rights of \$2,413,000 for \$279,084,000 of loans.

Mortgage loan servicing fees paid to the General Operating Fund amounted to \$4,467,000 for the year ended June 30, 2012, and are included in other revenues in the statement of revenues, expenses, and changes in net assets.

During the year ended June 30, 2012, the Corporation issued 36 Ginnie Mae loan pools with security proceeds of \$186,536,000. Additionally, the Corporation was servicing 67 Ginnie Mae loan pools with an outstanding security balance of \$295,038,000 as of June 30, 2012.

18. LOANS SOLD WITH RECOURSE

During the year ended June 30, 2012, the Corporation sold no mortgage loans with full recourse to any financial institution. As of June 30, 2012, the unpaid principal balance on loans sold in prior years with recourse was \$51,613,000, of this amount \$46,660,000 is FHA insured.

19. SUBSEQUENT EVENTS

Subsequent to June 30, 2012, the Corporation refunded \$237,335,000 of variable rate Single Family Bonds. With the refunding of these bonds a modification was also required to a corresponding portion of underlying swap agreements as well as a cancellation of a corresponding portion of the Corporation's liquidity facility with TCLP. The corresponding swap agreements were modified to change the underlying floating rate index from SIFMA to LIBOR.

Subsequent to June 30, 2012, the Corporation also issued \$10,000,000 of taxable Single Family Housing bonds.

* * * * *

SUPPLEMENTAL SCHEDULES

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

COMBINING BALANCE SHEET
AS OF JUNE 30, 2012
(In thousands)

	Operating Funds		Single-Family	Multi-Family	Housing	
	General	General	Mortgage	Mortgage	Development	
	Operating	Obligation	Purchase	Purchase	Funds	Total
	Fund	Fund	Funds	Funds		
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 3,037	\$ 12,148	\$ 63,180	\$1,610	\$20,677	\$ 100,652
Investments		323	220,317		56	220,696
Current maturities of loans receivable		1,503	18,197	29	1,010	20,739
Interest receivable		528	5,037	3	94	5,662
Other current assets	1,084		142			1,226
Total current assets	4,121	14,502	306,873	1,642	21,837	348,975
NONCURRENT ASSETS:						
Investments			184,447			184,447
Loans receivable		89,278	901,455	206	8,671	999,610
Capital assets — net	5,814					5,814
Other assets	5,224				2,766	7,990
Deferred bond financing costs			10,628			10,628
Deferred outflow of resources		282	110,699			110,981
Total noncurrent assets	11,038	89,560	1,207,229	206	11,437	1,319,470
TOTAL	\$15,159	\$104,062	\$1,514,102	\$1,848	\$33,274	\$1,668,445
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Interest payable	\$ 23	\$ 2	\$ 27,841	\$ -	\$ 7	\$ 27,873
Line of credit payable		6,782				6,782
Current maturities of bonds payable	557		76,130			76,687
Current maturities of notes payable			10,530			10,530
Other current liabilities	1,259		686		2,388	4,333
Total current liabilities	1,839	6,784	115,187	-	2,395	126,205
NONCURRENT LIABILITIES:						
Bonds payable	580		1,120,425			1,121,005
Notes payable			69,047			69,047
Deferred revenue	1,752		5,046			6,798
Derivative instruments		282	110,699			110,981
Other liabilities			345		156	501
Interfund payable (receivable)	(2,402)	39,207	(36,805)			-
Total noncurrent liabilities	(70)	39,489	1,268,757	-	156	1,308,332
Total liabilities	1,769	46,273	1,383,944	-	2,551	1,434,537
NET ASSETS:						
Invested in capital assets — net of related debt	4,677					4,677
Restricted — expendable			130,158	1,848	30,723	162,729
Unrestricted	8,713	57,789				66,502
Total net assets	13,390	57,789	130,158	1,848	30,723	233,908
TOTAL	\$15,159	\$104,062	\$1,514,102	\$1,848	\$33,274	\$1,668,445

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(In thousands)

	Operating Funds		Single-Family	Multi-Family	Housing	
	General	General	Mortgage	Mortgage	Development	
	Operating	Obligation	Purchase	Purchase	Funds	Total
	Fund	Fund	Funds	Funds		
OPERATING REVENUES:						
Interest on loans receivable	\$ -	\$ 3,874	\$ 50,438	\$ 34	\$ 440	\$ 54,786
Interest on cash and investments	87		9,316	2		9,405
Other revenues	12,588		27		227	12,842
Net increase in the fair value of investments			48			48
Total operating revenues	<u>12,675</u>	<u>3,874</u>	<u>59,829</u>	<u>36</u>	<u>667</u>	<u>77,081</u>
OPERATING EXPENSES:						
Interest	53		58,787		26	58,866
Salaries and benefits	5,909					5,909
General operating expense	2,162		633		31	2,826
Loan servicing fees		246	3,060	1		3,307
Deferred cost amortization	2,237		1,856	121		4,214
Net provision for loan losses		1,762	240		117	2,119
Depreciation of capital assets	382					382
Total operating expenses	<u>10,743</u>	<u>2,008</u>	<u>64,576</u>	<u>122</u>	<u>174</u>	<u>77,623</u>
OPERATING INCOME (LOSS)	<u>1,932</u>	<u>1,866</u>	<u>(4,747)</u>	<u>(86)</u>	<u>493</u>	<u>(542)</u>
NONOPERATING REVENUE (EXPENSE):						
Grant revenue	144					144
Grant expense	(46)					(46)
Net nonoperating expense	<u>98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,030</u>	<u>1,866</u>	<u>(4,747)</u>	<u>(86)</u>	<u>493</u>	<u>(444)</u>
TRANSFERS IN (OUT)	<u>2,141</u>		<u>(389)</u>		<u>(1,752)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>4,171</u>	<u>1,866</u>	<u>(5,136)</u>	<u>(86)</u>	<u>(1,259)</u>	<u>(444)</u>
NET ASSETS — Beginning of year	<u>9,219</u>	<u>55,923</u>	<u>135,294</u>	<u>1,934</u>	<u>31,982</u>	<u>234,352</u>
NET ASSETS — End of year	<u>\$13,390</u>	<u>\$57,789</u>	<u>\$130,158</u>	<u>\$1,848</u>	<u>\$30,723</u>	<u>\$233,908</u>

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(In thousands)

	Operating Funds		Single-Family	Multi-Family	Housing	
	General	General	Mortgage	Mortgage	Development	
	Operating	Obligation	Purchase	Purchase	Fund	Total
	Fund	Fund	Funds	Funds		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from interest on loans receivable	\$ -	\$ 3,765	\$ 51,200	\$ 34	\$ 600	\$ 55,599
Cash received from payments on loans receivable		11,794	163,132	269	5,600	180,795
Cash received from other revenues	12,478		27		227	12,732
Cash received from sale of loan securities and other assets		186,536			896	187,432
Purchase of loans receivable		(302,839)	(589)		(1,460)	(304,888)
Transfer of loans receivable		80,003	(80,003)			-
Cash payments for servicing fees		(246)	(3,060)	(1)	(1,641)	(4,948)
Cash payments for general operating expenses	(1,893)		(554)		289	(2,158)
Cash payments to employees for salaries and benefits	(5,994)					(5,994)
Net cash provided by (used in) operating activities	<u>4,591</u>	<u>(20,987)</u>	<u>130,153</u>	<u>302</u>	<u>4,511</u>	<u>118,570</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Proceeds from notes payable			79,729			79,729
Principal paid on notes payable			(152)			(152)
Principal paid on bonds payable			(115,600)	(22,010)		(137,610)
Proceeds from line of credit payable		6,782				6,782
Principal paid on revolving credit agreement					(2,098)	(2,098)
Interest paid on bonds/notes/revolving credit			(62,130)	(2)	(19)	(62,151)
Proceeds from interest rate swap agreements			2,556			2,556
Payments made on interest rate swap agreements			(1,705)			(1,705)
Payments of deferred assets	(2,413)		(366)			(2,779)
Proceeds from grant	144					144
Payments to grantees	(46)					(46)
Transfers	2,141		(389)		(1,752)	-
Interfund payable (receivables)	(7,478)	(3,587)	11,065			-
Net cash provided by (used in) non-capital financing activities	<u>(7,652)</u>	<u>3,195</u>	<u>(86,992)</u>	<u>(22,012)</u>	<u>(3,869)</u>	<u>(117,330)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of capital assets	(139)					(139)
Principal paid on capital debt	(536)					(536)
Interest paid on capital debt	(63)					(63)
Net cash used in capital and related financing activities	<u>(738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments		(129,322)	(293,711)			(423,033)
Proceeds from sales and maturities of investments		136,987	270,492	22,010	1	429,490
Interest and dividends on investments	87		9,367	2		9,456
Net cash provided by (used in) investing activities	<u>87</u>	<u>7,665</u>	<u>(13,852)</u>	<u>22,012</u>	<u>1</u>	<u>15,913</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,712)	(10,127)	29,309	302	643	16,415
CASH AND CASH EQUIVALENTS — Beginning of year	6,749	22,275	33,871	1,308	20,034	84,237
CASH AND CASH EQUIVALENTS — End of year	\$ 3,037	\$ 12,148	\$ 63,180	\$ 1,610	\$20,677	\$ 100,652

(Continued)

UTAH HOUSING CORPORATION
(A Component Unit of the State of Utah)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(In thousands)

	Operating Funds		Single-Family	Multi-Family	Housing	
	General	General	Mortgage	Mortgage	Development	
	Operating	Obligation	Purchase	Purchase	Fund	Total
	Fund	Fund	Funds	Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$1,932	\$ 1,866	\$ (4,747)	\$ (86)	\$ 493	\$ (542)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Adjustments for operating activities:						
Depreciation	382					382
Changes in assets and liabilities:						
(Increase) decrease in receivables		(22,853)	83,542	269	4,249	65,207
(Increase) decrease in other assets	210		22		(577)	(345)
Increase (decrease) in other liabilities	(26)		57		320	351
Increase (decrease) in deferred revenue	(110)					(110)
Adjustments for operating activities	456	(22,853)	83,621	269	3,992	65,485
Adjustments for non-operating activities:						
Interest revenue on cash and investments	(87)		(9,316)	(2)		(9,405)
Net increase in the fair value of investments			(48)			(48)
Interest expense	53		58,787		26	58,866
Deferred bond financing cost amortization	2,237		1,856	121		4,214
Adjustments for non-operating activities	2,203	-	51,279	119	26	53,627
Total adjustments	2,659	(22,853)	134,900	388	4,018	119,112
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$4,591	\$ (20,987)	\$130,153	\$ 302	\$4,511	\$118,570

(Concluded)

(THIS PAGE INTENTIONALLY LEFT BLANK)



FOR ADDITIONAL BOOKS: ELABRA.COM OR (888) 935-2272