

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

1. AUTHORIZING LEGISLATION

Utah Housing Corporation (the Corporation) was previously known as Utah Housing Finance Agency. The Corporation 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:

a. Operating Funds

These funds are used to account generally 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 14 regarding certain designations.

b. 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 (MRB's) 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. AUTHORIZING LEGISLATION (CONTINUED)

b. Single-Family Mortgage Purchase Funds (continued)

Resolutions for the 1983 Residential Mortgage Bonds Series A issues provided that funds remaining after February 1, 2010 might be used to forgive the remaining balance of the related mortgage loans. Mortgage loans receivable for this issue totaled \$118,000 at June 30, 2009.

c. 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.

d. 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 and closing costs and other forms of financial assistance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. 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.

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Loan Commitment Fees

Loan commitment fees and certain direct loan commitment costs are being deferred and amortized over the life of the loan as an adjustment of yield using the bonds outstanding method, which is not materially different than the interest method. The unamortized balance of net loan commitment fees is included in loans receivable.

c. 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, 2009, \$936,000 of bond financing costs was capitalized. Included in bond financing amortization, the Corporation recognized \$892,000 of expense due to early redemption of certain bonds.

d. Allowance for Possible Losses on Loans and Real Estate Acquired Through Foreclosure

The Corporation provides for losses when a specific need for an allowance is identified in the various funds or groups of funds. The provision for loan losses charged or credited to expense is the amount necessary, in management's judgment to maintain the allowance at a level it believes sufficient to cover losses in collection of loans. Estimates of future losses involve the exercise of management's judgment and assumptions with respect to future conditions. The principal factors considered by management in determining the adequacy of the allowance are the growth and composition of the loan portfolio, historical loss experience, economic conditions, the value, and adequacy of collateral, and the current level of the allowance. At June 30, 2009, an allowance of \$950,000 has been recorded in the Single-Family Mortgage Purchase Funds. Net losses closed to the reserve account during the year totaled \$25,000 and net recoveries of loan losses of \$31,000 are included in the Statement of Revenues, Expenses, and Changes in Net Assets.

e. Pay Fixed, Receive Variable Interest Rate Swaps

The Corporation enters into various interest rate swap 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's ability to keep its Single-Family program active without lags in funding is critical to its success. The federally imposed volume cap on tax-exempt bond issuances is inadequate to provide the resources currently demanded by these programs. To meet these demands and increase its funding capabilities, the Corporation sells variable rate bonds. Pay fixed, receive variable interest rate swap contracts allow the Corporation to manage the inherent interest rate risk associated with variable rate debt. (See Note 9)

f. 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.

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Accrued Interest Receivable

Interest on loans and investments is recognized as earned.

h. Capital Assets

Capital assets are carried at cost. Office equipment, furniture, and fixtures 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.

i. Cash and Cash Equivalents

Cash and cash equivalents consist principally of cash deposits, repurchase agreements, and investments in the Utah State Public Treasurer's Investment Fund.

j. 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. Many factors are considered in arriving at that value.

k. 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.

l. 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.

m. New Accounting Standards

In June 2008, the Governmental Accounting Standards Board (GASB) issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which provides guidance on the recognition, measurement, and disclosure of derivative instruments entered into by state and local governments. Statement No. 53 generally requires governments to measure derivative financial instruments at fair value in their accrual-based proprietary fund financial statements. Changes in the fair value of a hedging derivative (such as the Corporation's pay-fixed, receive-variable interest rate swap contracts) are reported as either deferred inflows or deferred outflows in the balance sheet as long as the hedge is deemed effective. The Statement is effective for financial statements for reporting periods beginning after June 15, 2009. Management is currently evaluating the effect of this pronouncement on the Corporation's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CASH AND INVESTMENTS

Cash and investments at June 30, 2009 are summarized as follows (in thousands):

	<u>Single- Family</u>	<u>Multi- Family</u>	<u>Operating</u>	<u>Housing Development</u>	<u>Total</u>
Cash and cash equivalents	\$ 42,652	\$ 1,199	\$ 23,578	\$ 13,943	\$ 81,372
Investments	<u>493,486</u>	<u>126,421</u>	<u>969</u>	<u>57</u>	<u>620,933</u>
Total	<u>\$ 536,138</u>	<u>\$ 127,620</u>	<u>\$ 24,547</u>	<u>\$ 14,000</u>	<u>\$ 702,305</u>

a. Cash Deposits (in thousands)

<u>Bank Balances</u>	<u>Book Balances</u>	<u>Fund</u>
\$ 9,559	\$ 9,559	Single-Family
72	72	Multi-Family
4,148	2,939	Operating
<u>6</u>	<u>6</u>	Housing Development
<u>\$ 13,785</u>	<u>\$ 12,576</u>	

Custodial Credit Risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to them. In the opinion of management, all of the bank balance was insured at June 30, 2009. The Corporation does not have a formal deposit policy for custodial credit risk.

b. Investments

As of June 30, 2009, the Corporation had the following investments and maturities (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Money market mutual funds	\$ 258,940	\$ 258,940	\$ -	\$ -	\$ -
Negotiable certificates of deposit	1,105	1,050	55	-	-
Repurchase agreements	2,693	2,693	-	-	-
Guaranteed investment contracts	165,804	114,993	16,023	3,732	31,056
U.S. Agencies	191,118	-	1	2	191,115
State municipal bonds	3,966	-	-	-	3,966
Utah State Public Treasurer's Investment Fund	<u>66,103</u>	<u>66,103</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 689,729</u>	<u>\$ 443,779</u>	<u>\$ 16,079</u>	<u>\$ 3,734</u>	<u>\$ 226,137</u>

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.

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CASH AND INVESTMENTS (CONTINUED)

b. Investments (continued)

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 \$2,693,000 of repurchase agreements 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. The investment activities are not subject to state statutes. As of June 30, 2009, the Corporation's investments in money market mutual funds, bonds of U.S. agencies and investments in state municipal bonds are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The underlying investments of the Corporation's repurchase agreements are invested in the U.S. Government Money Fund that is unrated. The Corporation's investments in negotiable certificates of deposit 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 the Federal National Mortgage Association, Royal Bank of Canada Guaranteed Investment Contracts, and CDC Guaranteed Investment Contracts. These investments are 14.33%, 9.55%, and 5.50%, respectively, of the Corporation's total investments.

4. LOANS RECEIVABLE

As of June 30, 2009 loans receivable consisted of the following (in thousands):

	<u>Current</u> <u>Maturities</u>	<u>Long-Term</u> <u>Portion</u>	<u>Total</u>
Single-Family Mortgage Purchase Funds (net of allowance for losses of \$950)	\$ 16,244	\$ 961,261	\$ 977,505
Multi-Family Mortgage Purchase Funds	2,393	214,100	216,493
Operating Funds	504	37,398	37,902
Housing Development Funds	8,128	10,353	18,481
Unamortized Loan Discount, Commitments, and deferred costs Single-Family Mortgage Purchase Funds	-	(43)	(43)
Total	<u>\$ 27,269</u>	<u>\$ 1,223,069</u>	<u>\$ 1,250,338</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 5.8%, 5.2%, 6.6% and 3.3%, respectively, as of June 30, 2009.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. LOANS RECEIVABLE (CONTINUED)

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

The Corporation has \$2,686,000 in real estate owned at June 30, 2009, which is included in the Single-Family Mortgage Purchase Funds loans receivable.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,472	\$ -	\$ -	\$ 1,472
Total capital assets, not being depreciated	1,472	-	-	1,472
Capital assets, being depreciated:				
Buildings and improvements	5,064	-	-	5,064
Furniture and fixtures	265	19	-	284
Equipment	1,298	39	(27)	1,310
Vehicles	98	3	-	101
Total capital assets being depreciated	<u>6,725</u>	<u>61</u>	<u>(27)</u>	<u>6,759</u>
Less accumulated depreciation for:				
Buildings and improvements	(454)	(114)	-	(568)
Furniture and fixtures	(136)	(38)	-	(174)
Equipment	(877)	(142)	27	(992)
Vehicles	(98)	(1)	-	(99)
Total accumulated depreciation	<u>(1,565)</u>	<u>(295)</u>	<u>27</u>	<u>(1,833)</u>
Total capital assets, being depreciated, net	<u>5,160</u>	<u>(234)</u>	<u>-</u>	<u>4,926</u>
CAPITAL ASSETS, NET	<u>\$ 6,632</u>	<u>\$ (234)</u>	<u>\$ -</u>	<u>\$ 6,398</u>

6. BOND RESERVE FUNDS

Substantially all cash and investments in the Single-Family and Multi-Family Mortgage 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. BOND RESERVE FUNDS (CONTINUED)

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, 2009, these reserve requirements and the resulting restriction of cash and investments were as follows (in thousands):

	<u>Debt Service Reserve Funds</u>	<u>Mortgage Reserve Funds</u>
Single-Family Mortgage Purchase Funds	<u>\$ 122,355</u>	<u>\$ —</u>
Multi-Family Mortgage Purchase Funds	<u>\$ 1,532</u>	<u>\$ 80</u>

7. REVOLVING CREDIT NOTES

The Corporation has three Revolving Credit Notes with two Utah industrial banks. The first note, in the amount of \$5,000,000, matures on October 30, 2010. At June 30, 2009, the outstanding balance on this Revolving Credit Note was \$2,098,000. The Revolving Credit Note bears interest at a calculated LIBOR rate advance or base rate advance. The Revolving Credit Note balance consists of two separate loans. The first loan is dated June 26, 2008 for \$450,000 with an interest rate of 1.31% at June 30, 2009. The second loan is dated November 24, 2009 for \$1,648,000 with an interest rate of 2.17% at June 30, 2009. These two loans are due during the year ended June 30, 2010.

The second Revolving Credit Note, in the amount of \$3,000,000, matures on March 24, 2011. At June 30, 2009, the outstanding balance on this Revolving Credit Note was \$1,400,000. The Revolving Credit Note bears interest at a calculated LIBOR rate advance with a minimum rate of 5.25%. The Revolving Credit Note balance consists of two separate loans. The first loan is dated March 26, 2009 for \$900,000 with an interest rate of 6.25% at June 30, 2009. The second loan is dated April 1, 2009 for \$500,000 with an interest rate of 6.25% at June 30, 2009. These two loans are due during the year ended June 30, 2010.

The third Revolving Credit Note, in the amount of \$2,000,000, matures on March 24, 2011 and has no outstanding balance as of June 30, 2009.

Total interest expense incurred on line-of-credit debt for the year ended June 30, 2009 was \$51,000.

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, 2009 (in thousands):

1994 Issue A, 3.60% to 5.70%, maturing on July 1, 2014, 2025 and 2026	\$ 525
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

1995 Issue E, 4.45% to 6.20%, maturing on July 1, 2012 and 2016 and on January 1, 2018, 2027 and 2028	\$ 120
1996 Series R, 3.94% to 6.15%, maturing on July 1, 2013, 2015 and 2016	2,500
1996 Series B, 6.10% to 7.54%, maturing on July 1, 2013, 2015, 2025 and 2027 and on January 1, 2021	590
1996 Series C, 5.75% to 7.70%, maturing on July 1, 2009, 2014, 2015 and 2025 and on January 1, 2028	380
1996 Series D, 5.55% to 7.80%, maturing on July 1, 2009, 2014, 2015 and 2025 and on January 1, 2028	660
1996 Series E, 4.95% to 6.20%, maturing on July 1, 2009, 2014, 2016, 2026 and 2027	100
1997 Series A, 3.85% to 6.25%, maturing on July 1, 2009, 2014, 2025, 2026 and 2027	55
1997 Series C, 4.35% to 7.08%, maturing in annual installments through July 1, 2009 and on July 1, 2015, 2016, 2017, 2022 and 2028 and on January 1, 2016	240
1997 Series D, 4.15% to 6.95%, maturing in annual installments through July 1, 2010 and on July 1, 2015 and 2016 and on January 1, 2021 and 2029	405
1997 Series E, 4.15% to 6.83%, maturing on July 1, 2010, 2015 and 2016 and on January 1, 2019, 2024 and 2029	970
1997 Series F, 4.00% to 6.65%, maturing on July 1, 2010, 2015, 2016, 2028 and January 1, 2024 and 2029	675
1997 Series G, 4.00% to 6.46%, maturing on July 1, 2010, 2015, 2016, 2027 and 2028 and on January 1, 2024 and 2029	870
1998 Series A, 4.10% to 6.11%, maturing in annual installments through July 1, 2009, and on July 1, 2011, 2016, 2022, 2028 and 2029	1,545
1998 Series B, 4.15% to 6.34%, maturing in annual installments through July 1, 2009, and on July 1, 2011, 2014 and 2016 and on January 1, 2019, 2024, 2028 and 2029	1,165
1998 Series C, 4.20% to 6.47% payable in annual installments through July 1, 2011, and on July 1, 2016, 2018, 2028 and 2029 and on January 1, 2028	1,495

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

1998 Series D, 4.00% to 6.20% payable in annual installments through July 1, 2010, and on July 1, 2012, 2018, 2020, 2028 and 2029 and on January 1, 2030	\$ 1,665
1998 Issue E, 4.55% to 5.45%, maturing in annual installments through July 1, 2010 and on July 1, 2012, 2018, 2020 and 2029 and on January 1, 2030	975
1998 Issue F, 3.65% to 5.10%, maturing in annual installments through July 1, 2010 and on July 1, 2018, 2028 and 2029 and on January 1, 2030	3,695
1998 Series G, 3.50% to 5.22% maturing in annual installments through July 1, 2009 and on July 1, 2012, 2018, 2020, 2028 and 2030	2,750
1999 Series A, 3.35% to 5.92%, maturing in annual installments through July 1, 2009 and on July 1, 2012, 2018, 2020, 2028 and 2030	1,140
1999 Series B, 4.00% to 6.37%, maturing in annual installments through July 1, 2010 and on July 1, 2012, 2018, 2020, 2028 and 2030	1,760
1999 Series C, 4.35% to 7.12%, maturing in annual installments through July 1, 2011 and on July 1, 2013, 2019, 2021 and 2029 and on January 1, 2031	1,190
1999 Issue D, 4.55% to 7.24%, maturing in annual installments through July 1, 2011 and on July 1, 2013, 2019, 2020, 2021, 2029 and 2030 and on January 1, 2031	360
1999 Series E, 4.35% to 7.25%, maturing in annual installments through July 1, 2011 and on July 1, 2013, 2019, 2021, 2027 and 2029 and on January 1, 2031	610
1999 Series F, 4.40% to 7.52%, maturing in annual installments through July 1, 2011 and on July 1, 2013, 2019, 2021, 2027 and 2029 and on January 1, 2031	205
2000 Issue A, 4.85% to 7.36%, maturing in annual installments through July 1, 2010 and on July 1, 2014, 2022, 2030 and 2031 and on January 1, 2020	515
2000 Issue B, 6.00% to 7.26%, maturing on July 1, 2010, 2022, 2030 and 2031 and on January 1, 2020	250
2000 Series C, Fixed Rate Bonds, 6.25% to 6.35%, maturing on July 1, 2014 and 2022	1,190
2000 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2031	10,975

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2000 Series D, Fixed Rate Bonds, 6.05% to 7.20%, maturing on July 1, 2010, 2014 and 2026	\$ 1,385
2000 Series D, Variable Rate Bonds, interest adjusted weekly, maturing July 1, 2031	10,375
2000 Series E, Fixed Rate Bonds, 6.00% to 7.28% maturing on July 1, 2010 and on January 1, 2015 and 2027	1,560
2000 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2031 and on January 1, 2032	10,110
2000 Series F, Fixed Rate Bonds, 4.60% to 6.125% maturing in annual installments through July 1, 2010 and on January 1, 2015 and 2027	1,660
2000 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2030 and 2031	10,710
2000 Series G, Fixed Rate Bonds, 4.45% to 5.875%, maturing in annual installments through July 1, 2010 and on July 1, 2015 and 2027	2,295
2000 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2030 and 2032	10,485
2001 Series A, Fixed Rate Bonds, 3.75% to 5.65%, maturing in annual installments through July 1, 2011 and on July 1, 2015 and 2027	2,470
2001 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2032	11,245
2001 Series B, Fixed Rate Bonds, 5.625% to 5.75%, maturing on July 2016 and 2019	2,445
2001 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2032	11,035
2001 Series C, Fixed Rate Bond, 5.50% to 5.65% maturing on January 1, 2018 and 2021	2,785
2001 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2017 and on January 1, 2033	10,885
2001 Series D, Fixed Rate Bonds, 5.30% to 5.50% maturing on January 1, 2018 and 2021	2,780

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8. LONG-TERM DEBT (CONTINUED)

2001 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2033	\$ 9,650
2001 Series E, Fixed Rate Bonds, 5.20% to 5.50% maturing on January 1, 2018 and 2023	2,335
2001 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2033	8,940
2001 Series F, Fixed Rate Bonds, 4.95% to 5.30% maturing on July 1, 2018 and 2023	2,825
2001 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2033	10,650
2002 Series A, Fixed Rate Bonds, 5.30% to 5.60% maturing on July 1, 2018 and 2023	2,800
2002 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2033	8,250
2002 Series B, Fixed Rate Bonds, 5.50% to 5.60% maturing on July 1, 2018 and 2023	3,345
2002 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2033	11,420
2002 Series C, Fixed Rate Bonds, 2.55% to 5.25% maturing in annual installments through July 1, 2010 and on July 1, 2018 and 2023	3,240
2002 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2033	9,095
2002 Series D, Fixed Rate Bonds, 2.20% to 5.35% maturing in annual installments through July 1, 2010 and on July 1, 2018 and 2023	3,260
2002 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2033	10,265
2002 Series E, Fixed Rate Bonds, 1.90% to 4.95%, maturing in annual installments through July 1, 2011 and on July 1, 2012 and January 1, 2019	2,695
2002 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2034	6,045
2002 Series F, Fixed Rate Bonds, 3.50% and 4.625%, maturing on July 1, 2012 and on January 1, 2019	2,415

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2002 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2034	\$ 8,700
2002 Series G, Fixed Rate Bonds, 1.75% to 4.875%, maturing in annual installments through July 1, 2012 and on January 1, 2019	4,775
2002 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2034	11,655
2003 Series A, Fixed Rate Bonds, 1.50% to 5.125%, maturing in annual installments through July 1, 2013 and on July 1, 2024	4,710
2003 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2034	10,810
2003 Series B, Fixed Rate Bonds, 1.60% to 4.95%, maturing in annual installments through July 1, 2013 and on July 1, 2024 and 2031	6,370
2003 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2034	11,420
2003 Series C, Fixed Rate Bonds, 1.875% to 5.00%, maturing in annual installments through July 1, 2013 and on July 1, 2025 and 2031	5,885
2003 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2034	9,260
2003 Series D, Fixed Rate Bonds, 1.70% to 4.60%, maturing in annual installments through July 1, 2014 and on July 1, 2023, 2024, 2033, and on January 1, 2034 and July 1, 2034	10,040
2003 Series E, Fixed Rate Bonds, 1.55% to 5.60%, maturing in annual installments through July 1, 2013 and on July 1, 2025 and 2031	6,145
2003 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2034	9,650
2003 Series F, Fixed Rate Bonds, 1.95% to 5.30%, maturing in annual installments through July 1, 2013 and on July 1, 2023, 2025, 2031, 2033 and 2034	3,570
2003 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2034	6,775
2003 Series G, Fixed Rate Bonds, 1.85% to 5.15%, maturing in annual installments through July 1, 2013 and on July 1, 2023, January 1, 2026, 2032 and 2035	4,455

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2003 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2035	\$ 6,775
2004 Series A, Fixed Rate Bonds, 2.00% to 4.90%, maturing in annual installments through July 1, 2014 and on July 1, 2024, 2026, 2032, 2034 and 2035	6,560
2004 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2035	6,310
2004 Series B, Fixed Rate Bonds, 2.15% to 5.10%, maturing in annual installments through July 1, 2012 and on July 1, 2014 and 2026	2,765
2004 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2035	10,495
2004 Series C, Fixed Rate Bonds, 2.70% to 5.35%, maturing in annual installments through July 1, 2014 and on July 1, 2026	2,780
2004 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2035	10,720
2004 Series D, Fixed Rate Bonds, 2.75% to 5.25% maturing in annual installments through July 1, 2014 and on July 1, 2026	2,970
2004 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2035	10,895
2004 Series E, Fixed Rate Bonds, 2.50% to 5.13% maturing in annual installments through July 1, 2014 and on January 1, 2027	2,985
2004 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2036	13,635
2004 Series F, Fixed Rate Bonds, 2.45% to 5.05% maturing in annual installments through July 1, 2014 and on January 1, 2027	3,565
2004 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2036	16,350
2004 Series G, Fixed Rate Bonds, 2.30% to 4.90% maturing in annual installments through July 1, 2014 and on January 1, 2027	3,625
2004 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2036	16,460
2004 Series H, Fixed Rate Bonds, 2.30% to 4.75% maturing in annual installments through July 1, 2014 and on January 1, 2027	3,745

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2004 Series H, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2036	\$ 16,475
2004 Series I, Fixed Rate Bonds, 2.95% to 4.90% maturing in annual installments through July 1, 2014, on January 1, 2015 and on July 1, 2023 and 2027	2,890
2004 Series I, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2036	13,630
2005 Series A, Fixed Rate Bonds, 2.90% to 4.70% maturing in annual installments through July 1, 2015 and on July 1, 2022 and 2027	2,500
2005 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2036	14,260
2005 Series B, Fixed Rate Bonds, 3.30% to 4.75% maturing in annual installments through July 1, 2015 and on July 1, 2022 and 2027	2,610
2005 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2036	14,330
2005 Series C, Fixed Rate Bonds, 3.45% to 4.90% maturing in annual installments through July 1, 2015 and on July 1, 2022 and 2027	3,035
2005 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2036	17,200
2005 Series D, Fixed Rate Bonds, 2.95% to 4.75% maturing in annual installments through July 1, 2015 and on July 1, 2022 and 2027	3,475
2005 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2036	17,145
2005 Series E, Fixed Rate Bonds, 3.25% to 4.60% maturing in annual installments through July 1, 2015 and on January 1, 2023 and 2028	3,130
2005 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2037	17,000
2005 Series F, Fixed Rate Bonds, 3.50% to 4.78% maturing in annual installments through July 1, 2015 and on January 1, 2023 and 2028	3,485

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2005 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2028 and January 1, 2037	\$ 17,000
2005 Series G, Fixed Rate Bonds, 3.50% to 4.80% maturing in annual installments through July 1, 2015 and on January 1, 2023 and 2028	3,470
2005 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2028 and January 1, 2037	17,000
2005 Series H, Fixed Rate Bonds, 3.75% to 5.00% maturing in annual installments through July 1, 2015 and on January 1, 2023 and 2028	3,520
2005 Series H, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2027 and January 1, 2037	16,985
2006 Series A, Fixed Rate Bonds, 3.75% to 5.00% maturing in annual installments through July 1, 2016 and on July 1, 2023, 2028 and 2037	4,935
2006 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2034 and July 1, 2037	15,000
2006 Series B, Fixed Rate Bonds, 4.00% to 5.98% maturing in annual installments through July 1, 2016 and on July 1, 2026, 2027, 2031 and 2037	10,935
2006 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2037	11,965
2006 Series C, Fixed Rate Bonds, 4.00% to 6.45% maturing in annual installments through July 1, 2016 and on January 1, 2028, 2032, and on July 1, 2032 and 2038	7,765
2006 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038	11,990
2006 Series D, Fixed Rate Bonds, 4.00% to 6.41% maturing in annual installments through July 1, 2016 and on January 1, 2028 and 2032, and on July 1, 2034	11,450
2006 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038	13,905
2006 Series E, Fixed Rate Bonds, 4.00% to 6.41% maturing in annual installments through July 1, 2016 and on January 1, 2028, 2032 and 2035	13,245

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2006 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038	\$ 13,180
2006 Series F, Fixed Rate Bonds, 4.00% to 6.32% maturing in annual installments through July 1, 2016 and on January 1, 2028, 2032 and 2035	18,280
2006 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038	13,130
2006 Series G, Fixed Rate Bonds, 3.90% to 5.92% maturing in annual installments from July 1, 2009 through July 1, 2016 and on July 1, 2028, 2032 and 2034	13,455
2006 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2038	12,000
2006 Series H, Fixed Rate Bonds, 3.95% to 5.95% maturing in annual installments from July 1, 2009 through July 1, 2016 and on July 1, 2026, 2028, 2032, 2034 and 2038	19,020
2006 Series H, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2038	9,000
2007 Series A, Fixed Rate Bonds, 3.85% to 5.88% maturing in annual installments from July 1, 2009 through July 1, 2017 and on July 1, 2027, 2034 and 2035	16,015
2007 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2038	12,000
2007 Series B, Fixed Rate Bonds, 4.85% to 6.01% maturing on July 1, 2017, 2027, 2034, 2035 and 2038	15,725
2007 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2038	11,975
2007 Series C, Fixed Rate Bonds, 4.85% to 5.95% maturing on July 1, 2017, 2027, 2035, January 1, 2036 and July 1, 2038	20,070
2007 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2038	13,275
2007 Series D, Fixed Rate Bonds, 5.15% to 6.39% maturing on July 1, 2017, January 1, 2028 and 2036, July 1, 2036, and on January 1, 2039	21,170
2007 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	10,465

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2007 Series E, Fixed Rate Bonds, 5.20% to 5.35% maturing on July 1, 2017 and on January 1, 2028, 2036 and 2039	\$ 25,130
2007 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	8,750
2007 Series F, Fixed Rate Bonds, 4.80% to 6.44% maturing on July 1, 2017 and on January 1, 2028, 2035, 2036 and 2039	20,790
2007 Series F, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	14,000
2007 Series G, Fixed Rate Bonds, 4.85% to 6.16% maturing on July 1, 2017, January 1, 2028, July 1, 2034 and on January 1, 2036 and 2039	19,120
2007 Series G, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	13,990
2007 Series H, Fixed Rate Bonds, 4.64% to 5.84% maturing on July 1, 2017, January 1, 2028, July 1, 2034 and on January 1, 2036 and 2039	18,555
2007 Series H, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	13,985
2007 Series 2, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	11,560
2008 Series A, Fixed Rate Bonds, 4.26% to 5.45% maturing on January 1, 2018 and on July 1, 2028, 2035, 2036 and 2039	18,515
2008 Series A, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2039	16,450
2008 Series B, Fixed Rate Bonds, 4.33% to 5.90% maturing on January 1, 2018 and on July 1, 2028, 2036 and 2039	22,030
2008 Series B, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2039	12,950
2008 Series C, Fixed Rate Bonds, 4.85% to 5.75% maturing on January 1, 2018 and on July 1, 2028 and 2036	9,930
2008 Series C, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038 and on July 1, 2039	25,055

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

2008 Series D, Fixed Rate Bonds, 4.79% to 5.625% maturing on January 1, 2018 and on July 1, 2028 and 2036	\$ 9,915
2008 Series D, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2038 and on July 1, 2039	25,055
2008 Series E, Fixed Rate Bonds, 4.35% to 6.1% maturing in annual installments from July 1, 2013 through July 1, 2018 and on July 1, 2028, January 1, 2029, July 1, 2032, 2034 and on January 1, 2040	21,000
2008 Series E, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2040	14,000
2008 Series 2, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2039	17,515
2009 Series 1 and 2, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2035 and 2040	<u>37,960</u>
Total Single-Family Mortgage Purchase Bonds	<u>\$ 1,349,230</u>

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.

Of the bonds described in the bonds payable listing, \$225,200,000 is not excluded from gross income for federal income tax purposes and is therefore taxable. There are also \$145,525,000 of subordinate bonds, all of 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 Bayerische Landesbank Girozentrale acting through its New York Branch at an original commitment amount of \$300,000,000; West Deuschelandesbank Girozentrale acting through its New York Branch at an original commitment amount of \$200,000,000; DEPFA BANK plc acting through its New York Branch at an original commitment amount of \$300,000,000; Lehman Brothers Commercial Bank, a Utah chartered industrial bank, at an original commitment amount of \$60,000,000; the Federal Home Loan Bank of Seattle at an original commitment amount of \$100,000,000; Wells Fargo Bank, N.A. at an original commitment amount of \$100,000,000; and BNP Paribas, acting through its New York Branch at an original commitment amount of \$100,000,000. 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 95 basis points of the outstanding amount of the variable rate bonds paid on a quarterly basis. As of June 30, 2009, none of the original commitments listed above were available for replacement of existing liquidity facilities or to issue new variable rate bonds. Subsequent to June 30, 2009, the Corporation has entered into an additional Standby Bond Purchase Agreement with Barclays Capital PLC at a commitment amount of \$156,000,000.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

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, 2009 are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 131,975	\$ 58,192	\$ 190,167
2011	23,300	57,471	80,771
2012	22,580	56,385	78,965
2013	23,090	55,307	78,397
2014	24,225	54,162	78,387
2014-2019	140,060	251,230	391,290
2020-2024	174,015	213,095	387,110
2025-2029	245,025	163,902	408,927
2030-2034	332,720	94,092	426,812
2035-2039	225,620	24,193	249,813
2040-2044	6,620	152	6,772
	<u>\$ 1,349,230</u>	<u>\$ 1,028,181</u>	<u>\$ 2,377,411</u>

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

Multi-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, 2009 (in thousands):

Issue 1996 A, Issue 1996 B, and Issue 1996 C, Vine Villas Apartment Project, 4.21% and 5.76%, maturing in monthly installments through January 1, 2028	\$ 3,801
1997 Series A and 1997 Series B, 6.875% and 9.00%, maturing on July 1, 2027	7,970
1998 Series, Heather Estates Project, 4.20% to 5.50%, maturing in annual installments through January 1, 2010 and on January 1, 2018 and 2029	6,845

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

1998 Series, Aspen Villas Apartments Project, 4.00% to 5.45%, maturing in annual installments through 2010 and on January 1, 2015, 2020 and 2028	\$ 5,040
1998 Series B, Mayflower Harbor at Pilgrims Landing Apartments Project, at 5.40% to and until July 1, 2016 (the reset date) and on and after the reset date at the reset rate	9,134
1999 Series A and 1999 Series B, The Ridge at Jordan Landing Apartments Project, 5.90% to 8.00%, maturing on January 1, 2010 and 2031 and on July 1, 2021 and 2037	12,930
Series 1999, Country Oaks Apartments Project, 5.60% to 6.00%, maturing on January 20, 2011 and on July 20, 2031 and 2041	3,015
1999 Series A and 1999 Series B, Bay Harbour at Slate Canyon Apartments Project, 6.30%, maturing on July 1, 2031	3,207
2000 Series A, Holiday Village Apartments, 7.58% interest, maturing on January 1, 2032	3,288
2000 Series A, Shaleh Meadows Apartments Projects, 4.90% to 6.02% maturing in annual installments through July 1, 2010 and on July 1, 2033	6,190
Series 2000, Tooele Gateway Project, 6.10% to 6.32% maturing in monthly installments through June 1, 2033	3,017
Issue 2001, Candlestick Apartments Project, Variable Rate Demand Bonds, interest adjusted weekly, maturing on February 15, 2036	6,400
Series 2001, Kings Row Apartment Project, 6.55% to 7.95% maturing on July 1, 2016, 2025 and 2033	6,985
Series 2001, Mill Creek II Project, 6.00% maturing in monthly installments through October 15, 2019	1,657
Series 2001A, Haven Pointe Project, 5.45% to 7.25% maturing on January 20, 2026 and on July 20, 2032 and 2043	10,670
Series 2001A, Holly Stonehedge I, Village Square II, 5.40% to 6.25% maturing on July 20, 2018, 2025 and on January 20, 2037	6,385
Series 2002A, The Bluffs Apartment Project, 5.60% to 6.21% maturing on July 20, 2018, 2030 and on January 20, 2044	11,260

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Series 2002A, Bountiful Retreat Project, 4.78% to 6.00% maturing on July 20, 2022 and 2043	\$ 4,420
Series 2002A, Canyon View Apartments Project, 4.87% to 5.35%, maturing on July 20, 2014 and 2044	3,935
Series 2003A, Sunset Ridge Apartments Project, 5.20% to 6.10%, maturing on July 20, 2028 and 2035 and January 20, 2045	15,020
Series 2003A, Coppergate Apartments Project, 5.15% to 5.90%, maturing on January 20, 2027, July 20, 2035 and January 20, 2045	13,665
Series 2003, Layton Pointe Apartments Project, 6.50%, maturing on June 1, 2035	3,610
Series 2004A and Series 2004B, Tanglewood Apartment Project, Variable Rate Bonds, interest adjusted weekly, maturing on January 1, 2017 and July 1, 2035	9,400
Series 2004A, Foxboro Terrace Apartments Project, 4.30% to 5.15%, maturing on January 20, 2017, July 20, 2024 and 2034, and on January 20, 2046	9,760
Series 2004A and 2004A-T, Laurelwood Apartments Project, 5.05% to 5.26%, maturing on July 20, 2018, 2024, 2034 and 2042	4,370
Series 2004, Diamond Fork Project, 6.90%, maturing in monthly installments through January 1, 2046	3,251
Series 2004, Rose Cove Project, 6.60%, maturing in monthly installments through January 1, 2046	6,581
Series 2004, Cedar Pointe Project, 5.30% maturing on January 1, 2032	7,770
Series 2005, Park Gate Apartment Project, 4.15% to 5.10% maturing on July 20, 2013, 2025, 2035 and 2046	5,600
Series 2005A and Series 2005B, Riverview Apartment Project, Variable Rate Bonds, interest adjusted weekly, maturing on July 1, 2016 and 2023	5,630
Series 2005A, Springwood Apartments Project, Variable Rate Bonds, interest adjusted weekly, maturing on September 15, 2035	8,485

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Series 2005A, Boyer Hill Military Housing Project Taxable Revenue Bonds, 5.392% to 5.442%, maturing on July 1, 2050	\$ 41,000
Series 2005A and Series 2005B, Towne Gate Apartments Project, 5.44% to 7.00%, maturing on April 1, 2021 and November 1, 2023	18,171
Series 2006A-1 and Series 2006A-2, Liberty Commons Apartment Project, 5.59% to 7.22%, maturing on November 1, 2023 and January 1, 2041	17,411
Series 2007, The Pointe Apartments Project, Variable Rate Bonds, interest adjusted weekly, maturing on August 1, 2024	11,100
Series 2008A, Series 2008B, Todd Hollow Apartments at Deer Mountain Project, 5.30% to 6.25%, maturing on June 1, 2043	11,953
Series 2009A, Timbergate Apartments Project, Variable Rate Bonds, interest adjusted weekly, maturing on April 1, 2042	<u>25,000</u>
Total Multi-Family Purchase Bonds	<u>\$ 333,926</u>

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 generally is payable semi-annually, except some of these issues pay monthly.

All of the \$333,926,000 of multi-family purchase bonds is conduit debt obligations. The Corporation is not obligated in any manner for repayment of the conduit debt.

Of the bonds described in the bonds payable listing \$69,651,000 is not excluded from gross income for federal income tax purposes and is therefore taxable.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Scheduled amounts of future debt service requirements, for the multi-family bond issues including principal maturities and sinking fund requirements for the years subsequent to June 30, 2009 are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 3,132	\$ 15,753	\$ 18,885
2011	3,455	15,596	19,051
2012	3,897	15,383	19,280
2013	4,182	15,144	19,326
2014	4,459	14,891	19,350
2014-2019	27,278	70,023	97,301
2020-2024	41,458	60,560	102,018
2025-2029	61,533	46,954	108,487
2030-2034	44,628	33,601	78,229
2035-2039	57,965	21,532	79,497
2040-2044	63,563	10,408	73,971
2045-2049	14,805	2,798	17,603
2050-2054	3,571	194	3,765
	<u>\$ 333,926</u>	<u>\$ 322,837</u>	<u>\$ 656,763</u>

General Revenue Office Building Bonds:

The Corporation issued revenue office building bonds in the amount of \$4,545,000 to finance the construction of a new office building. The bonds bear interest at 2.2% to 4.1% and are due in semi-annual installments. As of June 30, 2009, the bonds outstanding totaled \$2,689,000.

Scheduled amounts of future debt service requirements for the general revenue office building bonds, including principal maturities for the years subsequent to June 30, 2009 are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2010	\$ 499	\$ 98	\$ 597
2011	517	80	597
2012	536	61	597
2013	557	40	597
2014	580	18	598
	<u>\$ 2,689</u>	<u>\$ 297</u>	<u>\$ 2,986</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities:

Long-term debt activity for the year ended June 30, 2009 was as follows (in thousands):

	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
BONDS PAYABLE:					
Single-family mortgage purchase bonds	\$1,434,010	\$ 90,475	\$ (175,255)	\$1,349,230	\$ 131,975
Multi-family mortgage purchase bonds	313,380	25,000	(4,454)	333,926	3,132
General revenue office building bonds	<u>3,173</u>	<u>-</u>	<u>(484)</u>	<u>2,689</u>	<u>499</u>
 Total bonds payable	 1,750,563	 115,475	 (180,193)	 1,685,845	 135,606
 Federal home loan bank advance	 261	 -	 (261)	 -	 -
Performance bonds payable	206	-	(145)	61	61
Arbitrage payable (Note 15)	<u>844</u>	<u>242</u>	<u>(114)</u>	<u>972</u>	<u>336</u>
 TOTAL LONG-TERM DEBT	 <u>\$1,751,874</u>	 <u>\$ 115,717</u>	 <u>\$ (180,713)</u>	 <u>\$1,686,878</u>	 <u>\$ 136,003</u>

Total interest expense incurred on long-term debt for the year ended June 30, 2009 was \$89,174,000, of which none was capitalized.

9. INTEREST RATE SWAPS

Objective of the swaps: The Corporation has entered into synthetic fixed rate structures (variable rate debt combined with interest rate swaps) to provide a lower cost of fixed rated 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 76 separate pay-fixed, receive-variable interest rate swaps as of June 30, 2009. 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, 2009, are shown below (in thousands). 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST RATE SWAPS (CONTINUED)

Interest Rate Swap Agreements:

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	\$ 10,000	November 20, 2008	5.610%	SIFMA plus .27%	\$ (1,694)	July 1, 2022
2000C	980	November 20, 2008	7.760%	LIBOR plus .15%	(20)	July 1, 2010
2000D	8,135	November 20, 2008	5.370%	SIFMA plus .27%	(1,390)	July 1, 2022
2000D	2,880	November 20, 2008	7.470%	LIBOR plus .15%	(340)	January 1, 2016
2000E	8,750	November 20, 2008	5.380%	SIFMA plus .27%	(1,421)	July 1, 2022
2000E	2,405	November 20, 2008	7.300%	LIBOR plus .15%	(289)	January 1, 2016
2000F	6,900	November 20, 2008	5.340%	SIFMA plus .27%	(1,225)	January 1, 2023
2000F	3,890	November 20, 2008	7.150%	LIBOR plus .15%	(609)	January 1, 2019
2000G	5,990	November 20, 2008	5.070%	SIFMA plus .27%	(985)	January 1, 2023
2000G	4,880	November 20, 2008	6.530%	LIBOR plus .15%	(671)	January 1, 2020
2001A	10,615	November 20, 2008	4.910%	SIFMA plus .27%	(1,302)	July 1, 2023
2001B	11,035	November 20, 2008	4.860%	SIFMA plus .27%	(1,273)	July 1, 2023
2001C	10,885	November 20, 2008	4.910%	SIFMA plus .27%	(1,311)	January 1, 2024
2001D	10,000	November 20, 2008	4.840%	SIFMA plus .27%	(1,351)	January 1, 2024
2001E	9,000	November 18, 2008	4.770%	SIFMA plus .27%	(1,276)	January 1, 2024
2001E	425	November 18, 2008	4.970%	LIBOR plus .15%	(17)	July 1, 2012
2001F	10,000	November 18, 2008	4.580%	SIFMA plus .27%	(1,254)	January 1, 2026
2001F	650	November 18, 2008	4.640%	LIBOR plus .15%	(13)	January 1, 2011
2002A	9,970	November 20, 2008	5.030%	SIFMA plus .27%	(1,543)	January 1, 2024
2002B	11,420	November 20, 2008	4.980%	SIFMA plus .27%	(1,530)	January 1, 2025
2002C	9,095	November 20, 2008	4.860%	SIFMA plus .27%	(1,468)	January 1, 2025
2002D	6,990	November 20, 2008	4.795%	SIFMA plus .27%	(1,173)	July 1, 2025
2002D	3,275	November 20, 2008	5.148%	LIBOR plus .15%	(248)	January 1, 2019
2002E	5,835	November 20, 2008	4.930%	SIFMA plus .27%	(809)	January 1, 2026
2002F	8,280	November 20, 2008	4.310%	SIFMA plus .27%	(732)	January 1, 2026
2002G	11,655	November 20, 2008	4.220%	SIFMA plus .27%	(1,076)	July 1, 2026
2003A	10,810	November 20, 2008	4.200%	SIFMA plus .27%	(951)	July 1, 2026
2003B	11,420	November 18, 2008	3.939%	SIFMA plus .27%	(502)	July 1, 2025
2003C	9,260	November 18, 2008	4.300%	SIFMA plus .27%	(636)	January 1, 2027
2003E	9,650	November 18, 2008	4.990%	SIFMA plus .27%	(1,157)	January 1, 2027
2003F	6,775	November 18, 2008	4.620%	SIFMA plus .27%	(594)	July 1, 2022
2003G	6,775	November 18, 2008	4.520%	SIFMA plus .27%	(555)	July 1, 2022
2004A	6,310	November 18, 2008	4.340%	SIFMA plus .27%	(428)	July 1, 2021
2004B	8,950	November 19, 2008	4.391%	SIFMA plus .27%	(998)	July 1, 2027
2004C	10,720	November 19, 2008	4.524%	SIFMA plus .27%	(1,323)	January 1, 2028
2004D	10,895	November 19, 2008	4.480%	SIFMA plus .27%	(1,307)	January 1, 2028
2004E	13,635	November 19, 2008	4.370%	SIFMA plus .27%	(1,344)	January 1, 2028
2004F	16,350	November 19, 2008	4.263%	SIFMA plus .27%	(1,493)	January 1, 2028
2004G	16,560	November 19, 2008	4.163%	SIFMA plus .27%	(1,385)	January 1, 2028
2004H	16,560	November 19, 2008	3.920%	SIFMA plus .27%	(1,117)	January 1, 2028
2004I	13,830	November 19, 2008	4.370%	SIFMA plus .27%	(1,020)	July 1, 2028
2005A	14,400	November 19, 2008	4.215%	SIFMA plus .27%	(927)	July 1, 2028
2005B	14,400	November 19, 2008	4.295%	SIFMA plus .27%	(1,014)	July 1, 2028
2005C	17,280	November 19, 2008	4.360%	SIFMA plus .27%	(1,300)	July 1, 2028
2005D	17,280	November 19, 2008	4.010%	SIFMA plus .27%	(959)	July 1, 2028
2005E	17,000	November 19, 2008	3.970%	SIFMA plus .27%	(949)	July 1, 2028

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST RATE SWAPS (CONTINUED)

Interest Rate Swap Agreements (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
2005F	\$ 14,160	November 19, 2008	4.165%	SIFMA plus .27%	\$ (1,167)	July 1, 2028
2005F	2,840	November 19, 2008	4.755%	LIBOR plus .15%	(180)	July 1, 2012
2005G	14,065	November 19, 2008	4.230%	SIFMA plus .27%	(1,231)	January 1, 2029
2005G	2,935	November 19, 2008	4.795%	LIBOR plus .15%	(260)	January 1, 2013
2005H	14,455	November 19, 2008	4.424%	SIFMA plus .27%	(1,419)	January 1, 2029
2005H	2,530	November 19, 2008	5.036%	LIBOR plus .15%	(198)	January 1, 2013
2006A	7,475	November 19, 2008	4.130%	SIFMA plus .27%	(779)	January 1, 2026
2006A	7,525	November 19, 2008	5.060%	LIBOR plus .15%	(698)	July 1, 2020
2006B	11,965	November 19, 2008	4.240%	SIFMA plus .27%	(1,022)	January 1, 2023
2006C	11,990	November 19, 2008	4.620%	SIFMA plus .27%	(1,166)	July 1, 2025
2006D	13,895	November 19, 2008	4.490%	SIFMA plus .27%	(1,457)	July 1, 2029
2006E	13,180	November 19, 2008	4.520%	SIFMA plus .27%	(1,747)	July 1, 2029
2006F	13,180	November 19, 2008	4.251%	SIFMA plus .27%	(1,704)	July 1, 2029
2006G	12,000	November 19, 2008	4.125%	SIFMA plus .27%	(1,369)	January 1, 2030
2006H	9,000	November 19, 2008	3.910%	SIFMA plus .11%	(908)	July 1, 2026
2007A	12,000	November 19, 2008	3.883%	SIFMA plus .11%	(1,232)	July 1, 2030
2007B	12,000	November 19, 2008	3.950%	SIFMA plus .11%	(1,193)	July 1, 2026
2007C	13,300	November 19, 2008	3.930%	SIFMA plus .11%	(1,383)	July 1, 2028
2007D	10,500	November 19, 2008	4.253%	SIFMA plus .11%	(1,452)	July 1, 2026
2007E	8,750	November 19, 2008	4.149%	SIFMA plus .11%	(1,087)	January 1, 2026
2007F	14,000	November 19, 2008	3.910%	SIFMA plus .11%	(1,313)	January 1, 2026
2007G	14,000	November 19, 2008	4.058%	SIFMA plus .11%	(942)	January 1, 2026
2007H	14,000	November 19, 2008	3.913%	SIFMA plus .11%	(777)	January 1, 2026
2008A	16,450	November 19, 2008	373.000%	SIFMA plus .11%	(602)	July 1, 2028
2008B	12,950	November 19, 2008	3.879%	SIFMA plus .08%	(660)	July 1, 2028
2008C	12,250	November 19, 2008	3.713%	SIFMA plus .08%	(279)	July 1, 2032
2008C	12,805	November 19, 2008	5.301%	LIBOR plus .01%	(486)	January 1, 2038
2008D	12,250	November 19, 2008	4.000%	SIFMA plus .08%	(662)	July 1, 2032
2008D	12,805	November 19, 2008	5.545%	LIBOR plus .01%	(830)	January 1, 2038
2008E	<u>14,000</u>	October 7, 2008	3.299%	SIFMA	<u>(632)</u>	July 1, 2023
	<u>\$ 776,055</u>				<u>\$ (73,814)</u>	

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: During the year ended June 30, 2009, the Corporation replaced all of its 75 interest rate swaps with a notional amount of \$781,765,000 due to a credit event affecting its counterparties. Two new counterparties have provided the Corporation with replacement swaps in the same notional amount, with the same maturity dates and at the same fixed payer rates as the original swap agreements. In connection with the swap replacements, a net premium of \$8,903,000 was received.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST RATE SWAPS (CONTINUED)

This premium 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. 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
UHCSFMB2000C2	July 1, 2031	July 1, 2010
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, 2030	January 1, 2019
UHCSFMB2000F2	January 1, 2032	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
UHCSFMB2001E2	January 1, 2033	July 1, 2012
UHCSFMB2001E1	January 1, 2033	January 1, 2024

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST RATE SWAPS (CONTINUED)

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
UHCSFMB2001F2	July 1, 2033	January 1, 2011
UHCSFMB2001F1	July 1, 2033	January 1, 2026
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	January 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	July 1, 2028	July 1, 2028
UHCSFMB2005F	January 1, 2037	July 1, 2012
UHCSFMB2005G	July 1, 2028	January 1, 2029
UHCSFMB2005G	January 1, 2037	January 1, 2013
UHCSFMB2005H	July 1, 2027	January 1, 2029
UHCSFMB2005H	January 1, 2037	January 1, 2013
UHCSFMB2006A	January 1, 2034	July 1, 2020
UHCSFMB2006A	July 1, 2037	January 1, 2026
UHCSFMB2006B	July 1, 2037	January 1, 2023
UHCSFMB2006C	January 1, 2038	July 1, 2025

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTEREST RATE SWAPS (CONTINUED)

Associated Debt Issuance	Debt Maturity Date	Swap Termination Date
UHCSFMB2006D	January 1, 2038	July 1, 2029
UHCSFMB2006E	January 1, 2038	July 1, 2029
UHCSFMB2006F	January 1, 2038	July 1, 2029
UHCSFMB2006G	July 1, 2038	January 1, 2030
UHCSFMB2006H	July 1, 2038	July 1, 2026
UHCSFMB2007A	July 1, 2038	July 1, 2030
UHCSFMB2007B	July 1, 2038	July 1, 2026
UHCSFMB2007C	July 1, 2038	July 1, 2028
UHCSFMB2007D	January 1, 2039	July 1, 2026
UHCSFMB2007E	January 1, 2039	January 1, 2026
UHCSFMB2007F	January 1, 2039	January 1, 2026
UHCSFMB2007G	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, 2028
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

Swap payments and associated debt: Using rates as of June 30, 2009, debt service requirements of the Corporation's outstanding variable-rate debt and net swap payments are as follows (in thousands). As rates vary, variable-rate bond interest payments and net swap payments/(receipts) will vary.

Fiscal Year Ending June 30,	<u>Variable-Rate Bonds</u>			Interest Rate Swaps, Net	Total
	Principal	Interest			
2010	\$ 15,485	\$ 17,197	\$ 31,296	\$ 63,978	
2011	1,775	16,839	31,276	49,890	
2012	1,525	16,797	31,191	49,513	
2013	1,675	16,761	31,115	49,551	
2014	2,445	16,721	31,023	50,189	
2015-2019	40,490	82,131	151,894	274,515	
2020-2024	100,145	74,445	136,763	311,353	
2025-2029	168,000	60,693	110,027	338,720	
2030-2034	252,495	37,501	64,946	354,942	
2035-2039	183,460	11,148	17,368	211,976	
2040-2044	5,695	122	101	5,918	
	<u>\$ 773,190</u>	<u>\$ 350,355</u>	<u>\$ 637,000</u>	<u>\$ 1,760,545</u>	

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. COMMITMENTS

As of June 30, 2009, the Corporation is committed to purchase mortgages under the warehouse loans and the Single-Family Mortgage Purchase Funds in the amount of \$11,474,000. These mortgage commitments will be funded through cash and cash equivalents.

11. RETIREMENT PLANS

Plan Description: Utah Housing Corporation contributes to the State and School Contributory Retirement System and State and School Noncontributory Retirement System 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 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 9.73% of their annual covered salary. In the State and School Noncontributory Retirement System, Utah Housing Corporation is required to contribute 14.22% 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, 2009, 2008, and 2007 were \$70,000, \$76,000, and \$78,000 respectively and for the Noncontributory Retirement System the contributions for June 30, 2009, 2008, and 2007 were \$402,000, \$351,000, and \$314,000 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, 2009, 2008, and 2007 were \$43,000, \$37,000, and \$33,000, respectively.

12. 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.

UTAH HOUSING CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. DIVERSITY OF CREDIT RISK (CONTINUED)

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.

13. RELATED PARTY TRANSACTIONS

At June 30, 2009, the Corporation had invested \$66,103,000 in an investment pool maintained by the Utah State Treasurer and had earned interest income for the year then ended of \$1,202,000. During the year ended June 30, 2009, the Corporation recorded expenses of \$1,266,000 in the General Operating Fund for retirement plan and health insurance expenses paid to the State of Utah or agencies thereof.

Utah Housing Corporation also participates in a Limited Liability Corporation (LLC) in which it is a 1% owner. Loans made to this LLC totaling \$111,000 are outstanding at June 30, 2009 with interest income earned of \$3,000 for the year relating to these loans.

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.

14. OPERATING FUNDS NET ASSETS DESIGNATIONS

The Corporation's board and management have designated the unrestricted net assets of the Operating Funds for the following purposes at June 30, 2009 (in thousands):

Future Operating Expenses	\$ 12,141
First Home Plus Assistance	12,000
Swap Liquidity Reserve	10,000
Debt Service Shortfall and Maintenance of Bond Ratings	<u>21,613</u>
Total	<u>\$ 55,754</u>

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

15. ARBITRAGE REBATES

Under the Internal Revenue Code, arbitrage earnings on certain bond issues may be subject to rebate. At June 30, 2009, the accumulated accrual for estimated arbitrage rebates payable was \$972,000. An expense for the year ended June 30, 2009 of \$242,000 was included with interest income on cash and investments on the statement of revenues, expenses, and changes in net assets.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. MORTGAGE LOAN SERVICING

The Corporation's mortgage servicing department serviced a total of 15,294 loans with unpaid principal balances of \$1,164,969,000 as of June 30, 2009. Escrow cash balances for these loans were \$6,154,000 at June 30, 2009. These escrow balances are not included in the accompanying financial statements.

During the year ended June 30, 2009 the Corporation purchased and capitalized loan servicing rights of \$1,709,000 for \$201,086,000 of loans.

Mortgage loan servicing fees paid to the General Operating Fund amounted to \$4,083,000 for the year ended June 30, 2009 and are included in other revenues.

17. LOANS SOLD WITH RECOURSE

During the year ended June 30, 2009 the Corporation sold no mortgage loans with full recourse to any financial institution. As of June 30, 2009, the unpaid principal balance on loans sold in prior years with recourse was \$8,598,000.

18. FEDERAL GRANTS

During the year ended June 30, 2009, the Corporation administered the Home Run Grant, a mortgage assistance program that granted \$6,000 to qualifying homebuyers. Federal funds under the American Recovery and Reinvestment Act were used to provide \$10,000,000 for this program. Revenue and expenses related to this program are included in the nonoperating section of the statement of revenues, expenses, and changes in net assets.

Subsequent to June 30, 2009, the Corporation commenced the Home Run 2 Grant, a mortgage assistance program that grants \$4,000 to qualifying homebuyers. Federal funds under the American Recovery and Reinvestment Act were used to provide \$8,000,000 for this program.

19. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, the Corporation issued \$83,955,000 Single Family Mortgage Class I Refunding Bonds, 2009 Series A Variable Bonds, interest at a variable rate adjusted weekly maturing on July 1, 2038 and \$5,680,000 Single Family Mortgage Class I Refunding Bonds, 2009 Series A Fixed Rate Bonds maturing in annual installments from July 1, 2010 through July 1, 2019 with interest rates of 1.40% to 4.45%. The Corporation also issued \$72,455,000 Single Family Mortgage Class I Refunding Bonds, 2009 Series B Variable Bonds, interest at a variable rate adjusted weekly maturing on January 1, 2039 and \$2,005,000 Single Family Mortgage Class I Refunding Bonds, 2009 Series B Fixed Rate Bonds maturing in annual installments from July 1, 2010 through July 1, 2019 with interest rates of 1.40% to 4.45%.