

LEGISLATIVE TRACKING FORM

Filing for Council Meeting Date: 06/16/26

Resolution Ordinance

Contact/Prepared By: _____

Date Prepared: _____

Title (Caption): A resolution to approve the First Amendment to a grant contract for constructing affordable housing approved by RS2024-591 between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and The Housing Fund, Inc.

Submitted to Planning Commission? N/A Yes-Date: _____ Proposal No: _____

Proposing Department: _____ Requested By: _____

Affected Department(s): _____ Affected Council District(s): _____

Legislative Category (check one):

- | | | |
|---|--|--|
| <input type="checkbox"/> Bonds | <input type="checkbox"/> Contract Approval | <input type="checkbox"/> Intergovernmental Agreement |
| <input type="checkbox"/> Budget - Pay Plan | <input type="checkbox"/> Donation | <input type="checkbox"/> Lease |
| <input type="checkbox"/> Budget - 4% | <input type="checkbox"/> Easement Abandonment | <input type="checkbox"/> Maps |
| <input type="checkbox"/> Capital Improvements | <input type="checkbox"/> Easement Accept/Acquisition | <input type="checkbox"/> Master List A&E |
| <input type="checkbox"/> Capital Outlay Notes | <input type="checkbox"/> Grant | <input type="checkbox"/> Settlement of Claims/Lawsuits |
| <input type="checkbox"/> Code Amendment | <input type="checkbox"/> Grant Application | <input type="checkbox"/> Street/Highway Improvements |
| <input type="checkbox"/> Condemnation | <input type="checkbox"/> Improvement Acc. | <input type="checkbox"/> Other: _____ |

FINANCE Amount +/-: \$ _____ Funding Source: Capital Improvement Budget Capital Outlay Notes Departmental/Agency Budget Funds to Metro General Obligation Bonds Grant Increased Revenue Sources Other: _____	Match: \$ _____ Judgments and Losses Local Government Investment Project Revenue Bonds Self-Insured Liability Solid Waste Reserve Unappropriated Fund Balance 4% Fund Other: _____
Approved by OMB: <u>DocuSign Envelope ID: DB59844A2DE04C4...</u> <u>Approved by Finance/Accounts:</u> _____ <u>Approved by Div Grants Coordination:</u> _____	Date to Finance Director's Office: _____ APPROVED BY FINANCE DIRECTOR'S OFFICE: <u>Jennine Reed/mjw</u> <small>62377A2A8742469</small>

ADMINISTRATION

Council District Member Sponsors: _____

Council Committee Chair Sponsors: _____

Approved by Administration: _____ **Date:** _____

DEPARTMENT OF LAW Date to Dept. of Law: _____ Approved by Department of Law: _____

Settlement Resolution/Memorandum Approved by: _____

Date to Council: _____ For Council Meeting: _____ E-mailed Clerk

All Dept. Signatures Copies Backing Legislative Summary Settlement Memo Clerk Letter Ready to File

Resolution No. _____

A resolution to approve the First Amendment to a grant contract for constructing affordable housing approved by RS2024-591 between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and The Housing Fund, Inc.

WHEREAS, The Metropolitan Government of Nashville and Davidson County ("Metro"), acting by and through the Metropolitan Housing Trust Fund Commission, previously entered into a grant contract with The Housing Fund, Inc., for the express purpose of constructing affordable housing approved by RS2024-591; and,

WHEREAS, the parties wish to amend this grant contract by extending the term of the contract, and clarifying the funding of the awarded grant budget; and,

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that the amendment to the grant contract be approved.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That this First Amendment to the grant contract for constructing affordable housing between The Metropolitan Government of Nashville and Davidson County, acting by and through the Metropolitan Housing Trust Fund Commission, and The Housing Fund, Inc. a copy of which is attached hereto and incorporated herein, is hereby approved, and the Metropolitan Mayor is hereby authorized to execute the same.

Section 2. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

RECOMMENDED BY:

Signed by:

Angela Hubbard

09A837C8A8C44DE...
Angela Hubbard, Director
Housing Division

INTRODUCED BY:

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:

Jenneen Reed/mjw

02377A2A8742489...
Jenneen Reed, Director
Department of Finance

Member(s) of Council

APPROVED AS TO FORM AND LEGALITY:

Signed by:

Kelli Woodward

2CBBFAAF2F3B4D4...
Assistant Metropolitan Attorney

**AMENDMENT #1 TO GRANT CONTRACT 2024-R12-THF
BETWEEN
THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
BY AND THROUGH
THE METROPOLITAN HOUSING TRUST FUND COMMISSION
AND
THE HOUSING FUND**

This contract amendment is entered into by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY ACTING BY AND THROUGH THE METROPOLITAN HOUSING TRUST FUND COMMISSION**, a municipal corporation of the State of Tennessee (hereinafter referred to as "**Metro**") and **THE HOUSING FUND** (hereinafter referred to as "**Recipient**"). It is mutually understood and agreed by and between said undersigned contracting parties that the subject Grant Contract approved is hereby amended as follows:

1. Grant contract introduction is deleted in its entirety and replaced with the following:

This Grant Contract is issued and entered into by and between the Metropolitan Government of Nashville and Davidson County, a municipal corporation of the State of Tennessee hereinafter referred to as "Metro," and **THE HOUSING FUND**, hereinafter referred to as the "Recipient," is for the provision of the construction of affordable housing as further defined in the "SCOPE OF PROGRAM." **THE HOUSING FUND** will be developing 5 affordable housing units located at 1707 22nd Avenue N., 2018 Herman Street, 2409 Batavia Street, 74 Maury Street, and 46 Green Street. The recipient's budget request is incorporated herein by reference. The Recipient is a nonprofit charitable or civic organization.

2. Grant contract section A.3 is deleted in its entirety and replaced with the following:

A.3. The Recipient, under this Grant Contract, will spend funds solely for the purposes set forth in the scope of work. These funds shall be expended consistent with the Grant Budget. Although some variation in line-item amounts for the Grant is consistent with the Grant Budget, any change greater than 20% of a draw category shall require the prior written approval of the Metro Housing Director. However, in no event will the total amount of the Grant fund provided to Recipient go above the Grant Award amount of \$760,554.

3. Grant contract section B.1 is deleted in its entirety and replaced with the following:

B.1. Grant Contract Term. The term of this Grant shall be from execution of the grant agreement until Project completion, but in no way beyond October 31, 2026. Metro shall have no obligation for services rendered by the Recipient which are not performed within this term. Pursuant to Metropolitan Code of Laws 3.149.040 (G), in the event the

recipient fails to complete its obligations under this grant contract by October 31, 2026, Metro is authorized to rescind the contract and to reclaim previously appropriated funds from the organization.

The remaining provisions of the Contract shall remain unchanged and in full force and effect.
IN WITNESS WHEREOF, the parties hereto have executed this Contract:

Recipient: THE HOUSING FUND

David Patrick, CFO, for

By: *Marshall Crawford, Jr.,*
Marshall Crawford, Jr., Executive Director

Date: *5/5/2026*

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

APPROVED:

Peter Westerholm
Peter Westerholm, Chair
Metropolitan Housing Trust Fund Commission

5/11/2026
Date

APPROVED AS TO AVAILABILITY OF FUNDS:

Signed by:

Jennifer Reed/mjr
62377A2A9742A68
Jennifer Reed, Director
Department of Finance

6/23/2026
Date

APPROVED AS TO RISK AND INSURANCE:

Signed by:

Balagun Cobb
68804BF12FD743C
Director of Risk Management Services

6/23/2026
Date

APPROVED AS TO FORM AND LEGALITY:

Signed by:

Kelli Woodward
20BBFAAF2F9B4D4
Assistant Metropolitan Attorney

6/24/2026
Date

APPROVED BY THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Freddie O'Connell
Metropolitan County Mayor

Attest, this _____ day of _____, 20____

FILED IN THE OFFICE OF THE METROPOLITAN CLERK:

Metropolitan Clerk

Date

THE HOUSING FUND, INC
SECOND AMENDED AND RESTATED BYLAWS

WHEREAS, on November 16, 1999, the board of directors of the Corporation approved The First Amended and Restated Bylaws of the Corporation; and

WHEREAS, on April 19, 2005, the board of directors of the Corporation approved this Second Amended and Restated Bylaws of the Corporation.

NOW, THEREFORE, the Corporation adopts the following Second Amended and Restated Bylaws (the “bylaws”) which shall supersede the original bylaws and all prior amendments thereto, the text of which is amended and restated as follows:

ARTICLE I.

OFFICES

The Housing Fund, Inc. (the “Corporation”) shall maintain a principal office or offices, either within or without the State of Tennessee, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II.

PURPOSE AND USE OF THE CORPORATION AND ITS FUNDS

Section 2.1. Purpose. The purposes of the Corporation are as follows:

- (a) To acquire funds from governmental entities and agencies, and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;
- (b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;
- (c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i)

providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or, (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;

(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) develop or redevelop neighborhoods and commercial areas in order to prevent or eliminate blighting influences; and

(f) To effectuate such charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the Board of Directors may from time to time deem appropriate.

Section 2.2. Use of Funds. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation are distributable to, or inures to the benefit of its directors or officers or any other private person, except as provided in Section 4.11 and Section 5.8 as reimbursement for expenses or reasonable compensation for services rendered to the Corporation, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Charter and Section 2.1 above.

Section 2.3. Termination of Corporation. The Board of Directors shall have the authority to terminate the Corporation at any time that, by a unanimous vote, it deems such termination appropriate or advisable. In such event, after paying, or making provision for the payment of, all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation exclusively for its charitable purposes to one or more regularly organized and qualified charitable organization(s) to be selected by the Board of Directors. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made for such charitable purposes, or to such organization or organizations which are organized and operated exclusively for such purposes, within the meaning of Section 501(c)(3) of the Code, or any corresponding provision of any future federal tax laws, as such court shall determine.

ARTICLE III.

MEMBERS

Section 3.1. Members. The Corporation shall not have members.

ARTICLE IV.

BOARD OF DIRECTORS

Section 4.1. General Powers. Subject to the provisions of Section 4.3 below, the business and affairs of the Corporation shall be supervised by its Board of Directors, which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Charter, or these Bylaws. The Board of Directors, as the governing body of the Corporation, shall have the authority to receive, administer and invest property on behalf of the Corporation in accordance with the provisions set forth in these Bylaws, establish, operate and manage such facilities, programs and services as the Board of Directors deem appropriate, consistent with the purposes of the Corporation.

Section 4.2. Nominating Committee. There shall be a Nominating Committee comprised of all officers of NHF, all committee chairs of NHF, and three (3) current members of the Board of Directors.

Section 4.3. Number and Election of Directors. The number of members of the Board of Directors shall be fixed by the Board of Directors, but in no event shall the number of members of the Board of Directors be less than three (3) or greater than twenty-three (23). The members of the Board of Directors shall be elected as follows: Each year, prior to the annual meeting of the Board of Directors, the Nominating Committee (as defined in Section 4.2) shall submit to the Board of Directors a slate of candidates (the "Slate"). The Slate shall consist of that number of candidates equal to the number of directors whose terms are due to expire during the course of the year. The Board of Directors shall then vote on the Slate at its annual meeting (or, if no annual meeting is held, at the next duly called special meeting of the Board of Directors). A vote of the majority of the members of the Board of Directors shall be necessary to adopt the Slate. The Slate shall be adopted in its entirety. In the event the Slate is not adopted in its entirety, the Nominating Committee shall resubmit a Slate(s) until one such Slate is adopted and confirmed in its entirety. In selecting a Slate, the Nominating Committee must ensure that the Board of Directors will always contain two (2) members who live in an Investment Area served by the Corporation or who are members of a Targeted Population served by the Corporation. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

Section 4.4. Limitation on Personal Liability of Directors. No person who is or was a director of the Corporation, nor such person's heirs, executors or administrators (hereinafter collectively referred to as a "director"), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. However, this provision shall not eliminate or limit the liability of a director (a) for any breach of a director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or (c) for the authorization of unlawful distributions pursuant to Section 48-58-304

of the Act. No repeal or modification of the provisions of this Section 4.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

Section 4.5. Annual Meeting. The annual meeting of the Board of Directors shall be held within or without the State of Tennessee at time and date following the close of the Corporation's fiscal year as shall be determined by the President of the Corporation. The purpose of the annual meeting shall be to elect directors and officers of the Corporation, and transact such other business as may properly be brought before the meeting.

Section 4.6. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, or at the request of any director with the agreement of at least one-half (2) of the Board of Directors. The President shall fix the place, either within or without the State of Tennessee, as the place for holding any special meeting.

Section 4.7. Notices. Notice of each annual meeting shall be given at least two (2) weeks prior thereto, and notice of any special meeting shall be given at least five (5) business days prior thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The business to be transacted at, or the purpose of, any special meeting of the Board of Directors must be specified in the notice of such meeting.

Section 4.8. Quorum and Participation in Meeting. One third of the total number of directors in office, but no less than two (2) directors, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The directors shall be promptly furnished a copy of the minutes of the meetings of the Board of Directors.

Section 4.9. Manner of Acting. Each director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may otherwise be specifically provided by law, by the Charter, or by these Bylaws.

Section 4.10. Action Without a Meeting. Any action required or permitted to be taken at a meeting by the Board of Directors, or by any committee thereof, may be taken without a meeting if all voting members of the Board of Directors or committee, as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing to taking such action without a meeting, the affirmative vote of the numbers of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Board of Directors. The action must be evidenced by one (1) or more written consents describing

the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board of Directors or committee. A consent signed under this Section 4.10 shall have the same force and effect as a meeting vote of the Board of Directors, or any committee thereof, and may be described as such in any document.

Section 4.11. Vacancies. Any vacancy occurring in the Board of Directors, including vacancies created by the removal of directors without cause or for cause, shall be filled by the Nominating Committee (as defined in Section 4.2). A director designated to fill a vacancy shall serve for the unexpired term of his predecessor in office, or, if there is no predecessor, until the next appointment of directors.

Section 4.12. Compensation and Reimbursement of Expenses. No director shall be entitled to receive monetary compensation for services rendered to the Corporation. However, each director may be paid reasonable expenses, if any, of attendance at each meeting of the Board of Directors, after submitting substantiation of such expenses to the Corporation. This section shall not preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 4.13. Removal. Any or all of the directors may be removed for cause or without cause by vote of at least two-thirds (2/3) of the Board of Directors, exclusive of the director whose removal is at issue. Removal of a director shall also constitute removal as an officer of the Corporation and as a member of all committees of the Board of Directors.

Section 4.14. Resignation. A director may resign at any time by tendering his resignation in writing to the President or, in the case of the resignation of a director who is also President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

ARTICLE V.

OFFICERS

Section 5.1. Number. The Corporation shall have a President and a Secretary/Treasurer each of whom shall be elected in accordance with the provisions of this Article. The Board of Directors may also elect such other officers and assistant officers as the Board of Directors may from time to time deem necessary or appropriate. Any two or more offices may be held by the same person, except for the offices of President and Secretary, which must be held by different people.

Section 5.2. Election and Term of Office. The officers shall be elected annually by the Board of Directors at its annual meeting. Each officer shall hold office for a term of one (1) year or until his earlier death, resignation, or removal from office in the manner hereinafter provided.

Section 5.3. President. The President shall be the principal executive officer of the Corporation. The President shall, when present, preside at all meetings of the Board of Directors and shall in general perform all of the duties, and have all of the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board of Directors. The President may sign, with the Secretary/Treasurer or any other proper officer thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

Section 5.4. Secretary/Treasurer. The Secretary/Treasurer:

(a) shall keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the post office address of each member of the Board of Directors, which address shall be furnished to the Secretary/Treasurer by each director and in general perform all duties incident for the office and such other duties as may from time to time be assigned to him by the President or by the Board of Directors; and

(b) shall have charge and custody of, and be responsible for, all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article VIII of these Bylaws; disburse the funds of the Corporation in accordance with the directives of the Board of Directors, taking proper vouchers for such disbursements, and render to the Board of Directors, at its annual meeting and at such other times as may be requested by the Board of Directors, an accounting of all the transactions and of the financial condition of the Corporation; and in general perform all duties incident to the office and such other duties as may from time to time be assigned to him by the President or by the Board of Directors.

Section 5.5. Removal. Any member of the Board of Directors removed from office pursuant to Section 4.13 shall be automatically removed as an officer. The Board of Directors may, by a majority vote of all directors, remove any officer when, in its judgment, the best interests of the Corporation will be served thereby.

Section 5.6. Vacancies. A vacancy in any office may be filled by the Board of Directors

Section 5.7. Resignation. An officer may resign his office at any time by tendering his resignation in writing to the President or, in the case of the resignation of the President, to the Secretary/Treasurer. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the designated officer.

Section 5.8. Salaries and Expenses. The officers shall be entitled to reasonable compensation, as may be set by the Board of Directors from time to time, for services rendered to the Corporation. Reasonable expenses incurred by all of the officers in the course of coordinating the affairs of the Corporation shall be reimbursed by the Corporation upon proper substantiation.

ARTICLE VI.

STANDARDS OF CONDUCT

Section 6.1. Standards of Conduct. A director or an officer of the Corporation shall discharge his duties as a director or as an officer, including duties as a member of a committee:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner he reasonably believes to be in the best interest of the Corporation.

Section 6.2. Reliance on Third Parties. In discharging his duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) one or more officers or employees of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented;
- (b) legal counsel, public accountants, or other persons as to matters the director or officer reasonably believes are within the person's professional or expert competence.

Section 6.3. Bad Faith. A director or officer is not acting in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 6.2 unwarranted.

Section 6.4. No Liability. A director or officer is not liable for any action taken, or any failure to take action, as a director or officer, if he performs the duties of his office in compliance with the provisions of this Article, or if he is immune from suit under the provisions of Section 48-58-601 of the Act.

Section 6.5. Prohibition on Loans. No loans or guarantees shall be made by the Corporation to its directors or officers. Any director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof. Notwithstanding the preceding two sentences, nothing in this Section 6.5 shall be interpreted to prohibit any loans or guarantees made pursuant to any public benefit program administered by the Corporation and approved in accordance with T.C.A. ' 48-58-302.

ARTICLE VII.

CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS

Section 7.1. Contracts and Employment of Agents. The Board of Directors may authorize any director, officer, or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board of Directors shall be specifically authorized, subject to the provisions of Section 4.3 hereto, to employ and to pay the compensation of such agents, accountants, custodians, experts, scholarship consultants and other counsel, legal, investment or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

Section 7.2. Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 7.3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

Section 7.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board of Directors may from time to time select.

Section 7.5. Investment Authority. The Board of Directors shall be authorized to retain assets distributed to it, even though such assets may constitute an over-concentration in one or more similar investments. Further, the Board of Directors shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the Corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

ARTICLE VIII.

INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 8.1. Mandatory Indemnification of Directors and Officers. To the maximum extent permitted by the provisions of Sections 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) The Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) The director or officer conducted himself in good faith, and he reasonably believed (i) in the case of conduct in his official capacity with the Corporation, that his conduct was in its best interest; (ii) in all other cases, that his conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or had no reasonable cause to believe his conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director or officer did not meet the standard of conduct herein described.

Section 8.2. Permissive Indemnification of Employees and Agents. The Corporation may, to the maximum extent permitted by the provisions of Section 48-58-501, et seq., of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 8.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 8.1(b) above. The Corporation may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

Section 8.3. Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 8.1 and 8.2 above are contractual between the Corporation and the person being indemnified, and his heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these Bylaws, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

Section 8.4. Non-Limiting Application. The provisions of this Article VIII shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee, or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when he has not been made a named defendant or respondent to the Proceeding.

Section 8.5. Prohibited Indemnification. Notwithstanding any other provision of this Article VIII, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee, or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

(a) If a judgment or other final adjudication adverse to such person establishes his liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Section 48-58-304 of the Act; or

(b) In connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or

(c) In connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

Section 8.6. Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article VIII, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

ARTICLE IX.

NOTICES AND WAIVER OF NOTICE

The notices provided for in these Bylaws shall be communicated in person, by telephone, telegraph, teletype, or by mail or private carrier. Written notice is effective at the earliest of (i) receipt, (ii) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first-class postage affixed thereon, (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee, or (iv) twenty (20) days after its deposit in the United States mail, if mailed correctly addressed, and with other than first-class, registered, or certified postage affixed. Whenever any notice is required to be given to any director, officer or committee member of the Corporation under the provisions of these Bylaws, the Charter, or the Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X.

AMENDMENTS

These Bylaws and the Charter may be altered, amended, or repealed, and a new Charter or Bylaws adopted, provided that no such alteration, amendment or repeal shall be inconsistent with Article XI hereof.

ARTICLE XI.

EXEMPT STATUS

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code and, as such, will be exempt from taxation under Section 501(a) of the Code. The Corporation intends to apply for recognition of its exempt status by filing Internal Revenue Service Form 1023 within the time prescribed under Section 508 of the Code and Treasury Regulation Section 1.508-1(a)(2). Any provision of these Bylaws or of the Charter which would in any manner adversely affect the Corporation's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax exempt status.

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RILEY BASHELL
SECRETARY OF STATE

CHARTER
OF
NASHVILLE HOUSING FUND, INC.

The undersigned person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee Nonprofit Corporation Act, as amended, adopts the following charter for such corporation:

1. The name of the corporation is Nashville Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:

Davis H. Carr, Esq.
414 Union Street, Suite 1600
Nashville, Davidson County, Tennessee 37219

4. The street address and zip code of the principal office of the corporation shall be 701 South Sixth Street, Nashville, TN 37206.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 414 Union Street, Suite 1600, Nashville, Davidson County, Tennessee 37219.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors, the number, terms, and the members of which shall be determined by Metropolitan Development and Housing Agency ("MDHA"), a public housing authority organized pursuant to the terms of T.C.A. 13-20-101 *et seq*
9. The purposes for which the corporation is organized are as follows:
 - (a) To acquire funds from governmental entities and agencies, including but not limited to The Metropolitan Government of Nashville and Davidson County,

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RECEIVED Tennessee ("Metro") and MDHA, and from non-governmental entities and
STATE OF TENN individuals, through gifts, grants, loans, or otherwise;

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RILEY DONNELL
SECRETARY OF STATE

(b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, including but not limited to Metro and MDHA, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;

(c) To make loans, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or, (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) develop or redevelop neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences; and

(f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.


Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code

3-1-1996 11:10:13

of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.

SECRET
RILEY 11:53 AM No amendment to this charter or the bylaws of the corporation shall be effective unless such amendment is made by or approved in writing by MDHA.



Davis H. Carr, Incorporator
March 4, 1996

**FIRST AMENDED AND RESTATED CHARTER
OF
NASHVILLE HOUSING FUND, INC.**

Pursuant to the provisions of Section 48-60-101 and Section 48-60-106 of the Tennessee Nonprofit Corporation Act, as amended from time to time (hereinafter referred to as the "Act"), the corporation adopts and files the following Amended and Restated Charter (the "Charter") which shall supersede the original charter and all prior amendments thereto, the text of which is amended and restated as follows:

1. The name of the corporation is Nashville Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:

Davis H. Carr, Esq.
414 Union Street, Suite 1600
Nashville, Davidson County, Tennessee 37219
4. The street address and zip code of the principal office of the corporation shall be 806 South Sixth Street, Nashville, TN 37206.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 414 Union Street, Suite 1600, Nashville, Davidson County, Tennessee 37219.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors. The number of directors shall be at least three (3) but no greater than twenty-three (23). Each director shall hold office for two years and until his successor is elected and qualified, or until his earlier resignation, removal from office, or death. Election of directors shall be according to such procedures as are provided in the Bylaws of the corporation, provided that at

least one (1) director must be an individual who lives in an Investment Area served by NHF or who is a member of a Targeted Population served by NHF. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

9. The purposes for which the corporation is organized are as follows:

(a) To acquire funds from governmental entities and agencies, including but not limited to The Metropolitan Government of Nashville and Davidson County, Tennessee ("Metro") and MDHA, and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;

(b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property, from governmental entities and agencies, including but not limited to Metro and MDHA, and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;

(c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

(d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or, (ii) developing or redeveloping neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences;

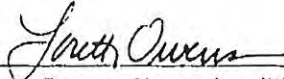
(e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income citizens of Nashville-Davidson County; or (ii) develop or redevelop neighborhoods and commercial areas of the city in order to prevent or eliminate blighting influences; and

(f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.

Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the

meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.



Loretta Owens, Executive Director
November 16, 1999

**CERTIFICATE OF NASHVILLE HOUSING FUND, INC.
CONCERNING ITS AMENDED AND RESTATED CHARTER**

Pursuant to the provisions of Section 48-60-106(h) of the Tennessee Nonprofit Corporation Act, Nashville Housing Fund, Inc. (the "Corporation") certifies as follows:

1. The Amended and Restated Charter of the Corporation to which this Certificate is attached contains amendments that require the written approval of Metropolitan Development and Housing Agency, an instrumentality of the Metropolitan Government of Nashville and Davidson County, Tennessee ("MDHA"), in addition to the board of directors of the Corporation.
2. The amendments contained in the Amended and Restated Charter have been approved in writing by MDHA by means of a certified resolution dated November 15, 1999.
3. The Amended and Restated Charter was duly adopted at a meeting of the board of directors of the Corporation held on November 16, 1999.
4. The Amended and Restated Charter shall be effective when filed by the Secretary of State.

Dated this 16th day of November, 1999.

NASHVILLE HOUSING FUND, INC.

By: _____

Loretta Owens

Loretta Owens, Executive Director

CORPORATION ANNUAL REPORT

Please return completed form to:
TENNESSEE SECRETARY OF STATE
 Attn: Annual Report
 312 Eighth Ave N, 6th Floor
 William R. Snodgrass Tower
 Nashville, TN 37243

Annual Report Filing Fee Due:

\$20, if no changes are made in block #6 to the registered agent/office, or
 \$40, if any changes are made in block #6 to the registered agent/office

CURRENT FISCAL YEAR CLOSING MONTH: 09 IF DIFFERENT,
 CORRECT MONTH IS _____

THIS REPORT IS DUE ON OR BEFORE 01/01/05

(1) SECRETARY OF STATE CONTROL NUMBER: 0308485

(2A) NAME AND MAILING ADDRESS OF CORPORATION:

~~NASHVILLE HOUSING FUND, INC.~~
~~806 SOUTH SIXTH ST~~
~~NASHVILLE, TN 37206~~

(2B) STATE OR COUNTRY OF INCORPORATION:

TENNESSEE

(2C) ADD OR CHANGE MAILING ADDRESS:

→ 305 11th Avenue South
 37203

D 03/05/1996 NON PROFIT

(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE:

806 SOUTH SIXTH ST, NASHVILLE, TN 37206

B. CHANGE OF PRINCIPAL ADDRESS:

STREET	CITY	STATE	ZIP CODE + 4
305 11th Avenue South	Nashville	TN	37203-4003

(4) NAME AND BUSINESS ADDRESS, INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS.
 (ATTACH ADDITIONAL SHEET IF NECESSARY.)

TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4
PRESIDENT	David Thibodeau	718 Greeley Drive Nashville, TN	37205
SECRETARY	Margaret Behm	306 Gay Street, Suite 400, Nashville, TN	37201

(5) BOARD OF DIRECTORS (NAMES, BUSINESS ADDRESS INCLUDING ZIP CODE). (ATTACH ADDITIONAL SHEET IF NECESSARY.) SAME AS ABOVE NONE
 OR LISTED BELOW: NAME BUSINESS ADDRESS CITY, STATE, ZIP CODE + 4

See Attached list

(6) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS:

DAVIS H. CARR, ESQ.

B. REGISTERED ADDRESS AS APPEAR ON SECRETARY OF STATE RECORDS:

414 UNION ST. 81600, SUITE 1600, NASHVILLE, TN 37219

C. INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE.

(i). CHANGE OF REGISTERED AGENT:

(ii). CHANGE OF REGISTERED OFFICE:

STREET	CITY	STATE	ZIP CODE + 4	COUNTY
		TN		

(7) A. THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED: IF BLANK OR INCORRECT, PLEASE CHECK APPROPRIATE BOX: PUBLIC MUTUAL

PUBLIC

B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX IF BLANK RELIGIOUS

(8) SIGNATURE

Loretta C. Owens

(9) DATE

12/29/2004

(10) TYPE PRINT NAME OF SIGNER:

Loretta C. Owens

(11) TITLE OF SIGNER

Executive Director

**** THIS REPORT MUST BE DATED AND SIGNED ****



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Nashville Housing Fund Board of Directors as of 12/29/04

Name and Address	Board Position, Committee	Occupation or Affiliation	Other Affiliations	Target Group Representation
David Thibodeau P.O. Box 303110 Nashville, Tennessee 37230	Chair	Retired, Executive Vice President, SunTrust Bank	Chair, Tennessee Minority Supplier Development Council	
Melvin Black 747 Work Drive Nashville, Tennessee 37207	Vice Chair, Program & Marketing Comm.	Retired, Metro teacher and coach	Past member, Metro Council	
Margaret Behm 306 Gay Street, Suite 400 Nashville, Tennessee 37201	Secretary-Treasurer, Finance & Audit Comm.	Attorney, Dodson, Parker, Dinkins and Behm	Board member, Federal Home Loan Bank of Cincinnati	
David Briley 511 Union Street, Suite 1610 Nashville, Tennessee 37219	Director, Finance & Audit Committee	Attorney, At-large Member of Metro Council		
Gerald F. Nicely 505 Doaderrick Street, Suite 700 Nashville, Tennessee 37243	Director, Finance & Audit Committee	Commissioner, Tennessee Dept. of Transportation	Board member, Frist Center for the Visual Arts	
Rick Chase 212 Woodlake Drive Gallatin, Tennessee 37211	Director, Program and Marketing Comm.	Retired Vice President Dell Computer	Board member, United Way of Middle Tennessee	
Sam Coleman 4037 Pepperwood Drive Antioch, Tennessee 37013	Director, Program and Marketing Comm.	Attorney, TN Dept of Family and Children Services, Metro Council Member		Represents growth area for affordable housing
Beth S. Courtney 114 30 th Avenue South Nashville, Tennessee 37212	Director, Program and Marketing Committee	President, Seigenhaler Public Relations	Nashville Area Chamber of Commerce	
Patricia Davis 203 Sheffield Place Nashville, Tennessee 37215	Director, Program and Marketing Committee	Development Director, YWCA	Board of Directors of the Women's Fund	
Chris Ferrell 905 Tower Place Nashville, Tennessee 37204	Director, Finance & Audit Committee	Owner of Internet marketing firm	Past member, Metro Council	
Rev. Mary K. "Kaki" Friskies-Warren 1719 Holly Street Nashville, Tennessee 37206	Director, Program and Marketing Committee	Program Officer, Middle Tennessee Community Foundation	Former Executive Director, Renewal House	
Tony Heard 150 4 th Avenue South Nashville, Tennessee 37219	Director, Finance & Audit Committee	Regional President, US Bank	Chair, Housing Committee, Nashville Area Chamber of Commerce	
Rita James 428 Star Blvd. Madison, Tennessee 37115	Director, Program & Marketing Comm.	NIHF Homeowner		Representative of target population
Jessica LeVeon 2739 Linmar Avenue Nashville, Tennessee 37215	Director, Program and Marketing Committee	Community Affairs Officer, Federal Reserve Bank	Woodbine Community Organization, Board of Directors	Representative of org. that serves target population
Linda Pflaum 9427 Centlewind Drive Brentwood, Tennessee 37207	Director, Program and Marketing Committee	Community Volunteer	President, Nashville Junior League	
Phil Ryan 701 South Sixth Street Nashville, Tennessee 37206	Director, Finance & Audit Committee	Executive Director, Metropolitan Development and Housing Agency	North Nashville Community Development Corporation, Board Member	Representative of org. that serves target population
Eugene ToSelle 2007 Linden Avenue Nashville, Tennessee 37212	Director, Program and Marketing Committee	Retired Professor, Divinity School of Vanderbilt University	Board member, Affordable Housing Resources	Representative of org. that serves target population
Steve Turner 138 2 nd Avenue North #500 Nashville, Tennessee 37201	Director, Finance & Audit Committee	Developer/owner of Butler's Run LLC	Cumberland Region Tomorrow, Board Member	
Bishop Joseph W. Walker 7594 Old Hickory Blvd. Whites Creek, TN 37189	Director, Program and Marketing Committee	Pastor, Mt. Zion Baptist Church		

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SECRETARY OF STATE

**SECOND AMENDED AND RESTATED CHARTER
OF
NASHVILLE HOUSING FUND, INC.**

Pursuant to the provisions of Section 48-60-101 and Section 48-60-106 of the Tennessee Nonprofit Corporation Act, as amended from time to time (hereinafter referred to as the "Act"), Nashville Housing Fund, Inc. (the "corporation") adopts and files the following Amended and Restated Charter (the "Charter") which shall supersede the original charter and all prior amendments thereto, the text of which is amended and restated as follows:

1. The name of the corporation is The Housing Fund, Inc.
2. The corporation is a public benefit corporation.
3. The street address, zip code and county of the initial registered office of the corporation in the State of Tennessee and the registered agent of the corporation, located at the registered office is as follows:

Loretta Owens
305 11th Avenue South
Nashville, Davidson County, Tennessee 37203

4. The street address and zip code of the principal office of the corporation shall be 305 11th Avenue South, Nashville, Davidson County, Tennessee 37203.
5. The name, street address and zip code of the incorporator is Davis H. Carr, Esq., 1600 Division Street, Ste. 700, Nashville, Davidson County, Tennessee 37203.
6. The corporation is not for profit.
7. The corporation will not have members.
8. The business affairs of this corporation shall be governed by a board of directors. The number of directors shall be at least three (3) but no greater than twenty-three (23). Each director shall hold office for two years and until his successor is elected and qualified, or until his earlier resignation, removal from office, or death. Election of directors shall be according to such procedures as are provided in the Bylaws of the corporation, provided .

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that at least one (1) director must be an individual who lives in an Investment Area served by the corporation or who is a member of a Targeted Population served by the corporation. "Investment Area" and "Targeted Population" shall have the meanings given to those terms in Part 1805 of Title 12 of the Code of Federal Regulations.

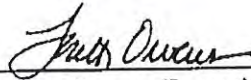
9. The purposes for which the corporation is organized are as follows:

- (a) To acquire funds from governmental entities and agencies and from non-governmental entities and individuals, through gifts, grants, loans, or otherwise;
- (b) To acquire, lease, or obtain easements over real property, improved or unimproved, and personal property and from non-governmental entities and individuals, through gifts, grants, purchases, exchanges, or otherwise;
- (c) To make loans, investments, grants, gifts, or payments of any kind to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;
- (d) To sell, lease, give or grant easements over real or personal property to owners, developers, lessors, lessees, occupants, lenders, or others to induce them to or assist them in: (i) providing decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) developing or redeveloping neighborhoods and commercial areas in order to prevent or eliminate blighting influences;
- (e) To own, operate or manage real property, improved or unimproved, and personal property, in order to: (i) provide decent, safe, and sanitary housing to low and moderate income individuals and families; or (ii) develop or redevelop neighborhoods and commercial areas in order to prevent or eliminate blighting influences; and
- (f) To effectuate such purposes as the Board of Directors may, from time to time deem appropriate.

Notwithstanding any other provision of this charter, the purposes for which this corporation is organized are exclusively religious, charitable, scientific, literary or educational within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law and this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under section 501 (c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

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10. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code, or shall be distributed to the Federal, state or local government for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction, in the county in which the principal office of the corporation is then located, exclusively for such purposes.



Loretta Owens, Executive Director

July 1, 2005



The Housing Fund, Inc. and Subsidiaries

Financial Statements and
Supplementary Information

September 30, 2025 and 2024

The Housing Fund, Inc. and Subsidiaries

Table of Contents
September 30, 2025 and 2024

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Changes in Net Assets	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information	
Consolidating Statement of Financial Position	24
Consolidating Statement of Activities	25



Independent Auditors' Report

To the Board of Directors of
The Housing Fund, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of The Housing Fund, Inc. and Subsidiaries (the Agency), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Agency as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of The Housing Fund, Inc. and Subsidiaries as of and for the year ended September 30, 2024 were audited by other auditors whose report, thereon, dated March 7, 2025, expressed an unmodified opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 24-25 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Nashville, Tennessee
June 10, 2026

The Housing Fund, Inc. and Subsidiaries

Consolidated Statements of Financial Position
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 8,816,763	\$ 10,202,676
Cash and cash equivalents, designated for federal programs	1,819,624	3,226,891
Accounts receivable	252,432	136,898
Accrued interest on loans receivable	296,422	201,039
Loans receivable, net	28,130,119	23,902,177
Prepaid expenses and other assets	39,790	163,300
Tax, insurance and mortgage escrow reserves	318,638	341,751
Property, furniture and equipment, net	5,701,772	5,885,344
Land and improvements for the Community Land Trust Program	529,470	736,384
Properties held for resale to low-to-moderate income individuals	4,872,581	5,452,716
	<u>50,777,611</u>	<u>50,249,176</u>
Total assets	<u>\$ 50,777,611</u>	<u>\$ 50,249,176</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 540,384	\$ 479,348
Accrued expenses	86,597	154,792
Flood contract payable	-	3,188,998
Grants payable	523,706	554,482
Deferred grant revenue	2,895,382	1,235,366
Mortgage loans payable, Laurel House Apartments, net	1,555,810	1,589,330
Notes payable, investment partners	25,894,150	22,874,057
	<u>31,496,029</u>	<u>30,076,373</u>
Total liabilities	<u>31,496,029</u>	<u>30,076,373</u>
Net Assets		
Without donor restrictions	16,880,505	16,670,052
With donor restrictions	2,401,077	3,502,751
	<u>19,281,582</u>	<u>20,172,803</u>
Total net assets	<u>19,281,582</u>	<u>20,172,803</u>
Total liabilities and net assets	<u>\$ 50,777,611</u>	<u>\$ 50,249,176</u>

See notes to consolidated financial statements

The Housing Fund, Inc. and Subsidiaries

Consolidated Statements of Activities
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Changes in Net Assets Without Donor Restrictions		
Revenues and gains:		
Public support:		
Federal, state and local government grants	\$ 42,609	\$ 227,566
Grants from private institutions	3,067,357	5,093,873
Revenues:		
Service and administrative fees	457,212	189,709
Rental income, Laurel House Apartments	858,538	565,386
Interest income:		
Loans	1,071,626	1,083,404
Other	493,665	369,252
Other	106,446	361,710
	<u>6,097,453</u>	<u>7,890,900</u>
Net assets released from restrictions:		
Expiration of time and purpose restrictions	1,101,674	1,618,525
	<u>7,199,127</u>	<u>9,509,425</u>
Expenses		
Program services:		
Lending	3,053,385	6,090,742
Community impact	1,879,332	773,745
Laurel House Apartments	845,085	732,010
Supporting services:		
Management and general	1,210,872	1,049,491
	<u>6,988,674</u>	<u>8,645,988</u>
Total expenses	<u>6,988,674</u>	<u>8,645,988</u>
Change in net assets without donor restrictions	<u>210,453</u>	<u>863,437</u>
Changes in Net Assets With Donor Restrictions		
Net assets released from restrictions	<u>(1,101,674)</u>	<u>(1,618,525)</u>
Change in net assets with donor restrictions	<u>(1,101,674)</u>	<u>(1,618,525)</u>
Total change in net assets	<u>\$ (891,221)</u>	<u>\$ (755,088)</u>

See notes to consolidated financial statements

The Housing Fund, Inc. and Subsidiaries

Consolidated Statements of Changes in Net Assets
 Years Ended September 30, 2025 and 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Net Assets, October 1, 2023	\$ 15,607,900	\$ 5,121,276	\$ 20,729,176
Impact of adopting ASC 326	198,715	-	198,715
Change in net assets for the year ended September 30, 2024	<u>863,437</u>	<u>(1,618,525)</u>	<u>(755,088)</u>
Net Assets, September 30, 2024	16,670,052	3,502,751	20,172,803
Change in net assets for the year ended September 30, 2025	<u>210,453</u>	<u>(1,101,674)</u>	<u>(891,221)</u>
Net Assets, September 30, 2025	<u>\$ 16,880,505</u>	<u>\$ 2,401,077</u>	<u>\$ 19,281,582</u>

See notes to consolidated financial statements

The Housing Fund, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Years Ended September 30, 2025 and 2024

	2025					2024				
	Program Services			Supporting Services		Program Services			Supporting Services	
	Lending	Community Impact	Laurel House Apartments	Management and General	Total	Lending	Community Impact	Laurel House Apartments	Management and General	Total
Payroll and related costs	\$ 1,034,632	\$ 586,537	\$ 76,316	\$ 771,142	\$ 2,468,627	\$ 952,464	\$ 398,912	\$ 73,178	\$ 599,931	\$ 2,024,485
Provision for credit losses	383,429	-	-	-	383,429	605,482	-	-	-	605,482
Flood contract expense	-	-	-	-	-	2,971,478	-	-	-	2,971,478
Advertising	-	1,460	1,454	82,864	85,778	-	-	113	134,806	134,919
Community impact grants	724,128	1,218,084	-	-	1,942,212	605,197	259,183	-	-	864,380
Depreciation	57,185	33,828	260,828	35,164	387,005	59,671	29,712	197,903	31,042	318,328
Interest	739,117	-	62,059	-	801,176	795,134	-	74,239	16,867	886,240
Occupancy	20,718	9,188	-	8,909	38,815	18,478	10,848	-	8,549	37,875
Professional fees	20,606	250	49,392	70,673	140,921	24,221	-	39,085	82,075	145,381
Servicing fees	15,346	72	-	-	15,418	1,862	-	-	534	2,396
Repairs and maintenance	-	-	200,657	-	200,657	-	-	115,911	-	115,911
Property taxes	-	-	189,558	-	189,558	-	-	207,974	-	207,974
Office expense and miscellaneous	58,224	29,913	4,821	242,120	335,078	56,755	75,090	23,607	175,687	331,139
	<u>\$ 3,053,385</u>	<u>\$ 1,879,332</u>	<u>\$ 845,085</u>	<u>\$ 1,210,872</u>	<u>\$ 6,988,674</u>	<u>\$ 6,090,742</u>	<u>\$ 773,745</u>	<u>\$ 732,010</u>	<u>\$ 1,049,491</u>	<u>\$ 8,645,988</u>

See notes to consolidated financial statements

The Housing Fund, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
 Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (891,221)	\$ (755,088)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	387,005	318,328
Amortization of loan costs	7,356	12,612
Accrued interest added to notes payable, investment partners	3,720	40,324
(Recovery of) provision for credit losses	(383,429)	605,482
Noncash contribution: forgiveness of accrued interest and notes payable, investment partners	(2,047,627)	-
(Increase) decrease in:		
Accounts receivable	(115,534)	91,803
Accrued interest on loans receivable	(95,383)	(41,494)
Prepaid expenses and other assets	123,510	(22,346)
Tax, insurance and mortgage escrow reserves	23,113	47,428
Land and improvements for the Community Land Trust Program	206,914	147,634
Properties held for resale to low-to-moderate income individuals	580,135	(762,866)
(Decrease) increase in:		
Accounts payable	61,036	(438,149)
Accrued expenses	(68,195)	(24,901)
Flood contract payable	(3,188,998)	2,971,478
Grants payable	(30,776)	(395,015)
Deferred grant revenue	1,660,016	37,926
Net adjustments	<u>(2,877,137)</u>	<u>2,588,244</u>
Net cash (used in) provided by operating activities	<u>(3,768,358)</u>	<u>1,833,156</u>
Cash Flows From Investing Activities		
Acquisition of property, furniture and equipment	(203,433)	(556,333)
Loans made	(9,248,574)	(7,056,396)
Principal repayments on loans	<u>5,404,061</u>	<u>6,118,827</u>
Net cash used in investing activities	<u>(4,047,946)</u>	<u>(1,493,902)</u>
Cash Flows From Financing Activities		
Principal payments on mortgage loans payable, Laurel House Apartments	(40,876)	(45,132)
Proceeds from notes payable, investment partners	5,100,000	116,844
Principal payments on notes payable, investment partners	<u>(36,000)</u>	<u>(1,060,506)</u>
Net cash provided by (used in) financing activities	<u>5,023,124</u>	<u>(988,794)</u>
Change in cash and cash equivalents	(2,793,180)	(649,540)
Cash and Cash Equivalents, Beginning	<u>13,429,567</u>	<u>14,079,107</u>
Cash and Cash Equivalents, Ending	<u>\$ 10,636,387</u>	<u>\$ 13,429,567</u>
Additional Cash Flow Information		
Interest paid	<u>\$ 803,724</u>	<u>\$ 887,046</u>

See notes to consolidated financial statements

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

1. General

The Housing Fund, Inc. (THF) was organized in 1996 as a Tennessee not-for-profit corporation. Its stated mission is to provide resources and creative leadership to help individuals and communities create and maintain affordable and healthy places in which low to moderate income people live. THF is designated as a Community Development Financial Institution (CDFI) by the U.S. Department of Treasury.

Laurel House Apartments GP, Inc. (Laurel House GP) is a wholly owned subsidiary of THF. Laurel House GP is the general partner and owns 1/10 of 1% of Laurel House 2001, LP. THF owns the remaining 99.99% of Laurel House 2001, LP directly. Laurel House GP owns and operates a 48-apartment unit development with 12,000 square feet of retail space.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements for the years ended September 30, 2025 and 2024, include the accounts of The Housing Fund, Inc. and its subsidiaries: Laurel House Apartments GP, Inc. and Laurel House 2001, L.P. (collectively the Agency). All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements present the financial position and changes in net assets of the Agency on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Resources are classified as net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Agency's management and the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Agency did not have any net assets with donor restrictions that are perpetual in nature as of September 30, 2025 or 2024.

Donor and/or grantor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

Contributions and Support

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

The Agency also receives grant revenue from federal, state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant funds received prior to expenditure are recorded initially as deferred grant revenue. Deferred grant revenue for conditional grant funds received but not expended amounted to \$2,895,382 at September 30, 2025 (\$1,235,366 at September 30, 2024).

Federal Loan Awards

Federal awards received by the Agency that include an obligation to repay loaned amounts back to the awarding agency are included in notes payable until such amounts are repaid by the Agency. Federal loan awards are considered expended when the loan disbursements are made to eligible recipients.

Rental Income

Revenue is generally recognized as rental revenue on a monthly basis. Escalating rental revenue is generally recognized on a straight-line basis with the excess of revenue recognized over rental billing being recognized as rent receivable, included in accounts receivable on the accompanying consolidated statements of financial position.

Cash and Cash Equivalents and Designated Cash

Cash and cash equivalents include demand deposits and money market funds with banks. Cash equivalents also include bank certificates of deposit that can be liquidated without significant penalty or restriction (including accrued interest).

Cash and cash equivalents designated for federal programs consist of discretely managed accounts maintained to comply with contractual requirements imposed by grantors and may be used only for the purpose of funding loans and satisfying the flood contract payable (see Note 16).

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sums to the total in the consolidated statements of cash flows as of September 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,816,763	\$ 10,202,676
Cash and cash equivalents, designated for federal programs	<u>1,819,624</u>	<u>3,226,891</u>
Cash, cash equivalents and restricted cash	<u>\$ 10,636,387</u>	<u>\$ 13,429,567</u>

Accounts Receivable

Accounts receivable are deemed to be fully collectible by management. No allowance for credit losses is considered necessary.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Loans Receivable

The Agency makes several types of loans to individuals and developers in the state of Tennessee. Loans to individuals related to residential housing assistance (RHA) loans for individuals who meet certain criteria including property use and household income levels. Residential housing assistance loans related to downpayment and closing costs assistance range between \$5,000 and \$35,000 with interest rates between 5%-8%. Residential housing shared equity loans requires the Agency to invest 25% of the homes' value, the homeowner to invest 1% and then obtain the remaining 74% through one of the Agency's lending partners. These are specific to first time home buyers.

Loans to developers are made to assist developers with increasing or maintaining the supply and standard of affordable housing for rent and homeownership. Within these parameters there are three types of lending, 1) affordable housing defined as homes that are affordable to households with incomes at or below 80% of the Area Median Income and 2) for commercial and community facility projects which are located in low or moderate income (LMI) census tracts or are for servicing LMI client bases. The Agency will loan up to 90% of approved project costs or 80% of acceptable appraised value, whichever is less.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for any charge-offs and any deferred fees or costs on originated loans. Interest income is accrued on the unpaid balance. Past due status is determined based on the contractual terms of the note.

Interest on loans is computed on a daily basis based on the principal amount outstanding using the interest method. Loan fees and costs are deferred and amortized as an adjustment to the related loan yield over the contractual life of the loan.

Loans are considered past due if the required principal and interest payments have not been received 30 days from the date such payments were due. If it otherwise appears doubtful that the loan will be repaid or if the cash flow of the business can only support a principal payment, management may place the loan on nonaccrual status. Generally, loans on nonaccrual status are 90 days or more past due and are moving toward foreclosure/liquidation.

Uncollectible loans are charged to the allowance account in the period such determination is made. Subsequent recoveries on loans previously charged off are credited to the allowance account in the period received. While management uses available information to recognize losses on loans, future losses on loans may be accrued based on changes in economic conditions.

Allowance for Credit Losses

The Agency adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326 effective October 1, 2023, which requires the estimation of an allowance for credit losses in accordance with the current expected credit loss (CECL) methodology. Management assesses the adequacy of the allowance on an annual basis. The assessment includes procedures to estimate the allowance and test the adequacy and appropriateness of the resulting balance. The level of the allowance is based upon management's evaluation of historical default and loss experience, current and projected general economic outlook, composition of the loan portfolio, industry and peer institution quality indications, including other pertinent factors. The level of the allowance for credit losses maintained by management is believed adequate to absorb all expected future losses inherent in the loan portfolio at the statement of financial position date. The allowance is increased through provision for credit losses and decreased by charge-offs, net of recoveries of amounts previously charged-off.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Agency has identified the following portfolio segments for analysis and measurement of allowance for credit losses: down payment assistance loans, flood assistance loans, development loans and shared equity loans.

The level of the allowance is based upon the weighted average remaining maturity (WARM) measurement model which utilizes average annual charge-off rates and calculations of principal-weighted remaining life. The estimated loan losses for all loan pools are adjusted for changes in qualitative factors not inherently considered in the quantitative analyses.

Credit losses are estimated on the amortized basis of loans, which includes the principal balance outstanding and accrued interest receivable.

Prior to the adoption of FASB ASC 326 on October 1, 2023, the allowance for loan losses was determined pursuant to ASC 450-20 and ASC 310-10-35. The allowance for uncollectible loans was a valuation allowance for probable incurred credit losses. Loan losses were charged against the allowance when management believed the uncollectability of a loan balance was confirmed. Subsequent recoveries, if any, were credited to the allowance. Management estimated the allowance balance required using historical loan loss experience, the nature and volume of the portfolio, information about specific borrower situations, estimated collateral values and current economic conditions. The allowance consisted of specific and general components. The specific component related to loans that were individually classified as impaired. The general component was based on historical loss experience adjusted for current factors. The entire allowance was available for any loan that, in management's judgment, should be charged off.

A loan receivable was considered impaired when, based on current information, it is probable that all amounts of principal and interest due will not be collected according to the terms of the loan agreement. The allowance for uncollectible loans was established by charges to program services expense and was maintained at an amount which management believed was adequate to absorb losses on existing loans. Uncollectible loans were charged to the allowance account in the period such determination was made. Recoveries of the allowance for uncollectible loans due to repayment of loans were recorded as income in the period of recovery.

Property, Furniture and Equipment

Property, furniture and equipment are reported at cost at the date of purchase, or at estimated fair value at the date of gift to the Agency. The Agency's policy is to capitalize purchases with a cost of \$200 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: 20 years or the life of the lease, if shorter, for leasehold improvements, 10-40 years for building and building improvements, 3 years for computer equipment and 5-7 years for furniture and fixtures.

Properties Held for Resale to Low-to-Moderate Income Individuals

The Agency has purchased single-family residential properties that will be resold to eligible low-to-moderate income individuals. These properties are held at cost.

Debt Issuance Costs

Debt issuance costs are presented on the consolidated statements of financial position as a direct reduction from the carrying amount of the related mortgage loans payable - Laurel House Apartments. Amounts are amortized on a straight-line basis over the term of the related mortgage and included in interest expense on the consolidated statements of functional expenses.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Income Taxes

THF qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

THF files a U.S. Federal Form 990 for organizations exempt from income tax and U.S. Federal Form 990-T for organizations exempt from income tax with unrelated business. Laurel House GP is a for-profit corporation and files a Federal Form 1120 and a Tennessee Franchise and Excise tax return. Laurel House 2001, L.P. is a partnership and files a Federal Form 1065. Laurel House 2001, L.P. files a certificate of exemption from Tennessee Franchise and Excise tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing THF's, Laurel House GP's and Laurel House 2001, L.P.'s income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying consolidated financial statements.

Program and Supporting Services

The following programs and supporting services are included in the accompanying consolidated financial statements:

Lending - includes a down payment assistance-lending program, a community development loan program, a home improvement loan program and a shared equity homeownership program designed to assist low-to-moderate income individuals in acquiring or maintaining their primary residence and to assist not-for-profit and for-profit developers in increasing the supply of decent and affordable housing for low-to-moderate income individuals throughout Tennessee. The community rehabilitation efforts were designed to help preserve home ownership by assisting with repairs for homes that had become unsafe to inhabit.

Community Impact - includes the Community Land Trust and Housing Resiliency Fund. Through the Community Land Trust program, the Agency is developing residential properties that will be sold to qualifying homeowners. The qualifying homeowner enters a land lease agreement with the Agency to reduce the initial housing prices. The Housing Resiliency Fund provides payments of property taxes on behalf of qualified residents living in certain zip codes. These payments are made directly to mortgage companies or to the local Trustee's office in Nashville (if property taxes are not escrowed) to help offset increased property taxes.

Laurel House Apartments - is a 48-unit apartment rental development, with low-income requirements for residents, located in Nashville, Tennessee, approximately 12,000 square feet of retail space.

Management and General - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program or fund-raising activity, including costs associated with providing coordination and articulation of the Agency's program strategy, business management, general recordkeeping, budgeting and related purposes.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

The expenses that are allocated include payroll and related costs, advertising, depreciation and amortization, occupancy, professional fees, office expense and miscellaneous and are allocated on the basis of estimated time and effort expended on those activities or programs.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on changes in net assets as previously reported.

Subsequent Events

The Agency has evaluated events and transactions that occurred between September 30, 2025 and June 10, 2026, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

3. Recently Adopted Accounting Pronouncement

On October 1, 2023, the Agency adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with a current expected credit loss methodology (CECL). The CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance-sheet credit exposures not accounted for as insurance and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. The total impact of adoption of ASC 326 was an increase in net assets without donor restrictions as follows:

Allowance for credit losses:	
Residential housing assistance loans	\$ 129,234
Shared-equity loans	(81,841)
Development loans	<u>151,322</u>
Total	<u>\$ 198,715</u>

The Agency adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet (OBS) credit exposures. Results for operating periods beginning after October 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

4. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position, comprise the following as of September 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,816,763	\$ 10,202,676
Accounts receivable	220,730	136,898
Accrued interest on loans receivable	296,422	201,039
Current maturities on loans receivable	<u>6,808,463</u>	<u>4,232,795</u>
Total financial assets	16,142,378	14,773,408
Less amounts not available to be used within one year:		
Budgeted for future lending	9,283,000	7,508,000
Security deposits held	9,703	9,745
Net assets with donor restrictions	<u>2,401,077</u>	<u>3,502,751</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,448,598</u>	<u>\$ 3,752,912</u>

The Housing Fund, Inc. plans to utilize unrestricted funds to support the preservation and creation of affordable housing and provide down payment assistance to low- and moderate-income communities. Budgeted lending projections for fiscal year 2026 include approximately \$6,365,000 (\$5,400,000 was projected for 2025) in development loans and \$818,000 (\$708,000 was projected for 2025) in consumer loans such as down payment assistance loans to qualifying individuals and \$2,100,000 (\$1,400,000 projected for 2025) in shared-equity lending. Additionally, The Housing Fund, Inc. plans to sell approximately \$3,000,000 in properties held for resale to low-to-moderate income individuals which would provide additional unrestricted funds to support the preservation and creation of affordable housing.

5. Loans Receivable and Allowance for Credit Losses

Loans receivable by category at September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Residential housing assistance:		
Interest bearing	\$ 4,991,489	\$ 4,737,406
Due on sale	3,022,772	3,126,679
Shared equity	6,998,581	6,033,485
Flood assistance	-	947,975
Development	<u>15,156,624</u>	<u>10,791,398</u>
	30,169,466	25,636,943
Less allowance for credit losses	<u>(2,039,347)</u>	<u>(1,734,766)</u>
Total	<u>\$ 28,130,119</u>	<u>\$ 23,902,177</u>

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

The table below presents the past due balances at September 30, 2025 and 2024, by loan classification:

	2025					Amortized Cost >90 Days and Accruing
	Current	31-60 Days	61-90 Days	90 Days	Total	
Residential housing assistance:						
Interest-bearing	\$ 4,437,875	\$ 61,538	\$ -	\$ 492,076	\$ 4,991,489	\$ 492,076
Due on sale	3,022,772	-	-	-	3,022,772	-
Shared equity	6,998,581	-	-	-	6,998,581	-
Development loans	14,677,284	-	-	479,340	15,156,624	-
Total	<u>\$ 29,136,512</u>	<u>\$ 61,538</u>	<u>\$ -</u>	<u>\$ 971,416</u>	<u>\$ 30,169,466</u>	<u>\$ 492,076</u>
	2024					Amortized Cost >90 Days and Accruing
	Current	31-60 Days	61-90 Days	90 Days	Total	
Residential housing assistance:						
Interest-bearing	\$ 4,186,476	\$ 64,547	\$ 22,721	\$ 463,662	\$ 4,737,406	\$ 463,662
Due on sale	3,126,679	-	-	-	3,126,679	-
Shared equity	6,033,485	-	-	-	6,033,485	-
Flood loans:						
Interest-bearing	27,940	-	-	-	27,940	-
Due on sale	920,035	-	-	-	920,035	-
Development loans	10,296,058	-	-	495,340	10,791,398	-
Total	<u>\$ 24,590,673</u>	<u>\$ 64,547</u>	<u>\$ 22,721</u>	<u>\$ 959,002</u>	<u>\$ 25,636,943</u>	<u>\$ 463,662</u>

Allowance for Loan Loss

Credit quality: Management determines credit quality by loan category as follows:

Residential housing assistance loans (RHA) - The Agency categorizes the credit quality of the down payment assistance loans as interest-bearing and noninterest-bearing, due on sale of the property. The Agency categorizes the credit quality of the shared-equity loans as noninterest-bearing, due on sale of the property.

Flood assistance loans - The Agency categorizes the credit quality of the flood loans as interest-bearing and noninterest-bearing, due on sale of the property.

Development loans - The Agency utilizes a risk rating system to monitor the credit quality of the Agency's development loan portfolio.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

The following is an analysis of the allowance for loan losses for the year ended September 30, 2025 and 2024:

	2025				
	RHA Interest Bearing	RHA Due on Sale	RHA Shared Equity	Flood Assistance	Development
Allowance for credit losses:					
Beginning balance	\$ 376,108	\$ -	\$ 459,606	\$ 84,038	\$ 815,014
Charge-offs	-	-	2,185	-	-
Recoveries	(6,255)	-	-	(53,367)	(21,411)
Provision (benefit) for credit losses	21,752	-	217,002	(30,671)	175,346
Ending balance	<u>\$ 391,605</u>	<u>\$ -</u>	<u>\$ 678,793</u>	<u>\$ -</u>	<u>\$ 968,949</u>
Ending balance, collectively evaluated for impairment	<u>\$ 391,605</u>	<u>\$ -</u>	<u>\$ 678,793</u>	<u>\$ -</u>	<u>\$ 473,609</u>
Ending balance, individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,340</u>
Loans:					
Ending balance	<u>\$ 4,991,489</u>	<u>\$ 3,022,722</u>	<u>\$ 6,998,581</u>	<u>\$ -</u>	<u>\$ 15,156,624</u>
Ending balance, collectively evaluated	<u>\$ 4,991,489</u>	<u>\$ 3,022,722</u>	<u>\$ 6,998,581</u>	<u>\$ -</u>	<u>\$ 14,677,284</u>
Ending balance, collectively evaluated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,340</u>

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

	2024				
	RHA Interest Bearing	RHA Due on Sale	RHA Shared Equity	Flood Assistance	Development
Allowance for credit losses:					
Beginning balance	\$ 489,510	\$ -	\$ 223,637	\$ 257,645	\$ 370,950
Impact of adopting ASC 326	37,200	-	81,841	(166,434)	(151,322)
Charge-offs	(10,708)	-	(1)	(6,119)	-
Recoveries	3,085	-	-	-	-
Provision (benefit) for credit losses	(142,979)	-	154,129	(1,054)	595,386
Ending balance	<u>\$ 376,108</u>	<u>\$ -</u>	<u>\$ 459,606</u>	<u>\$ 84,038</u>	<u>\$ 815,014</u>
Ending balance, collectively evaluated for impairment	<u>\$ 376,108</u>	<u>\$ -</u>	<u>\$ 459,606</u>	<u>\$ 84,038</u>	<u>\$ 319,674</u>
Ending balance, individually evaluated for impairment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,340</u>
Loans:					
Ending balance	<u>\$ 4,737,406</u>	<u>\$ 3,126,679</u>	<u>\$ 6,033,485</u>	<u>\$ 947,975</u>	<u>\$ 10,791,398</u>
Ending balance, collectively evaluated	<u>\$ 4,737,406</u>	<u>\$ 3,126,679</u>	<u>\$ 6,033,485</u>	<u>\$ 947,975</u>	<u>\$ 10,296,058</u>
Ending balance, collectively evaluated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,340</u>

6. Property, Furniture and Equipment

Property, furniture and equipment consist of the following as of September 30:

	2025	2024
Land	\$ 825,000	\$ 825,000
Building and building improvements	8,412,263	8,244,404
Computer equipment	151,129	152,822
Furniture and fixtures	102,001	86,290
	<u>9,490,393</u>	<u>9,308,516</u>
Less accumulated depreciation	<u>(3,788,621)</u>	<u>(3,423,172)</u>
Total	<u>\$ 5,701,772</u>	<u>\$ 5,885,344</u>

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

7. Community Land Trust Program

Through the Community Land Trust program, the Agency is developing residential properties that will be sold to qualifying families. The qualifying homeowner enters a land lease agreement with the Agency to reduce the initial housing prices. Land and development of the properties are recorded and held at cost. When the property is sold to a qualifying homeowner, the Agency sells the structure only and retains a ground lease on the property to ensure continued affordability of the property.

The Community Land Trust Program consists of the following as of September 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 327,900	\$ 485,900
Improvements	201,570	250,484
Total	<u>\$ 529,470</u>	<u>\$ 736,384</u>

8. Mortgage Loans Payable - Laurel House Apartments

Mortgage loans payable - Laurel House Apartments consists of the following as of September 30:

	<u>2025</u>	<u>2024</u>
Mortgage payable to a financial institution, payable in monthly principal payments of \$3,761, plus interest at a variable rate (4.00% at September 30, 2024) through March 2025 with a final balloon payment of \$1,596,686 due April 2025. Effective July 4, 2025, the loan maturity was extended to October 2, 2025 at which time the balloon payment is due. The loan is secured by substantially all the Laurel House 2001, L.P. assets which had a net book value of approximately \$4,990,000 at September 30, 2025	\$ 1,555,810	\$ 1,596,686
Less unamortized debt issuance costs	-	7,356
Mortgage loans payable - Laurel House Apartments, net of unamortized debt issuance costs	<u>\$ 1,555,810</u>	<u>\$ 1,589,330</u>

The loan was paid off in full in October of 2025.

The mortgage agreements require the maintenance of certain financial and nonfinancial covenants. The Agency was in compliance with all covenants as of September 30, 2025.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

9. Notes Payable - Investment Partners

A summary of notes payable to financial institutions and other lenders as of September 30, 2025 and 2024 is as follows:

Institutional Lenders	Original Issues	2025			Amount Available to be Drawn	2024		
		Principal Balance Drawn	Accrued Interest	Total Balance		Principal Balance Drawn	Accrued Interest	Total Balance
Citizens Bank	\$ 846,844	\$ 846,844	\$ -	\$ 846,844	\$ -	\$ 846,844	\$ -	\$ 846,844
F & M Bank	300,000	300,000	-	300,000	-	300,000	-	300,000
First Farmers & Merchants Bank	1 500,000	500,000	-	500,000	-	500,000	-	500,000
First Financial Bank	1 100,000	100,000	51,306	151,306	-	100,000	48,806	148,806
First Horizon Bank	2,500,000	2,500,000	-	2,500,000	-	2,500,000	-	2,500,000
Old National Bank	1,250,000	1,250,000	-	1,250,000	-	1,250,000	-	1,250,000
Pinnacle Bank	5,325,000	5,325,000	-	5,325,000	-	5,325,000	-	5,325,000
PNC Bank	500,000	500,000	-	500,000	-	500,000	-	500,000
Regions Bank of Tennessee	3,200,000	3,200,000	-	3,200,000	-	3,200,000	-	3,200,000
Renasant Bank	200,000	200,000	-	200,000	-	200,000	-	200,000
Republic Bank	500,000	500,000	-	500,000	-	500,000	-	500,000
Self-Directed IRA Services and other	332,000	121,000	-	121,000	-	332,000	-	332,000
ServisFirst Bank	100,000	100,000	-	100,000	-	100,000	-	100,000
Synovus	500,000	500,000	-	500,000	-	500,000	-	500,000
Truist Bank	3,500,000	7,000,000	-	7,000,000	-	3,500,000	371,407	3,871,407
Truxton Trust	700,000	700,000	-	700,000	-	700,000	-	700,000
U. S. Bank	2,000,000	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000
Wilson Bank & Trust	200,000	200,000	-	200,000	-	100,000	-	100,000
Total notes payable - investment partners		<u>\$ 25,842,844</u>	<u>\$ 51,306</u>	<u>\$ 25,894,150</u>	<u>\$ -</u>	<u>\$ 22,453,844</u>	<u>\$ 420,213</u>	<u>\$ 22,874,057</u>

¹ - Funding available for Clarksville/Montgomery County, Tennessee operations.

Loans from various financial institutions generally mature in one to ten years (maturities range from January 2025-October 2037 as of September 30, 2025), accrue interest at rates from 0% to 3.5% annually, and are unsecured and subordinated. Certain loans contain automatic extension provisions that can renew indefinitely. Some loans permit the accrued interest to be added to the principal balance annually; the other loans require the interest to be paid monthly, quarterly or annually. Accrued interest added to principal balances amounted to \$3,720 in 2025 and \$40,323 in 2024.

Annual principal maturities of notes payable - investment partners are as follows:

Years ending September 30:	
2026	\$ 10,898,527
2027	1,300,000
2028	580,000
2029	2,216,844
2030	2,100,000
Thereafter	<u>8,798,779</u>
Total	<u>\$ 25,894,150</u>

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

10. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Housing Resiliency program	\$ 665,556	\$ 975,207
Shared-equity program	<u>1,735,521</u>	<u>2,527,544</u>
Total	<u>\$ 2,401,077</u>	<u>\$ 3,502,751</u>

Net assets released from donor restrictions consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Housing Resiliency program	\$ 309,651	\$ 179,139
Shared-equity program	<u>792,023</u>	<u>1,439,386</u>
Total	<u>\$ 1,101,674</u>	<u>\$ 1,618,525</u>

11. Leases - Lessor

The Agency leases retail space to a tenant under a noncancelable operating lease agreement. The lease agreement expires in June 2029. Income received related to these leases is included in rental income, Laurel House Apartments on the statements of activities.

Future minimum annual lease payments receivable under the retail lease agreements in effect as of September 30, 2025, are as follows:

Years ending September 30:	
2026	\$ 59,125
2027	59,125
2028	59,125
2029	<u>39,417</u>
Total	<u>\$ 216,792</u>

12. Commitments and Contingencies

The Agency has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to the grantor.

Laurel House 2001, L.P. is required to utilize the housing complex as low-income housing pursuant to Internal Revenue Code Section 42 until 2034.

13. Related-Party Transactions

Four of the Agency's board members (three as of September 30, 2024) are senior officers with financial institutions or other lenders with which the Agency has outstanding loans totaling \$13,025,000 at September 30, 2025 (\$9,825,000 at September 30, 2024).

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

14. Concentration of Credit Risk

Financial instruments that potentially subject the Agency to concentrations of credit risk consist of cash and cash equivalents and loans receivable. Loans receivable are widely dispersed throughout Middle Tennessee to mitigate credit risk.

The Agency maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to statutory limits. The Agency's cash balance, from time to time, may exceed statutory limits. The Agency has not experienced any losses in such accounts and considers this to be a normal business risk.

Outstanding development loans to four developers comprised 55% of the total of such loans at September 30, 2025 (five developers comprised 68% in 2024).

15. Contracted Services and Employee Benefit Plans

Contracted Services

The Housing Fund Inc.'s staff is employed under a Professional Employer Organization (PEO) agreement with Insperity PEO Services, LP and reports solely to the Agency's Board of Directors. The Agency reimburses LBMC Employment Partners for the salaries and related fringe benefits, which include Social Security and Medicare taxes, insurance and employee benefit plan costs.

Laurel House 2001, L.P. contracts with a management company to manage the property. Laurel House 2001, L.P. reimburses the management company for certain employee salaries. In addition, management fees of 5% of gross revenue collected are paid to the management company.

Employee Benefit Plans

All staff members of The Housing Fund, Inc. are eligible to participate in the LBMC Employment Partners, LLC 401(k) Profit Sharing Plan with a match of 100% of the first 3% of contributions and 50% of the next 2% of contributions. Total contributions amounted to \$56,685 and \$23,113 for the years ended September 30, 2025 and 2024, respectively.

16. Flood Contract Termination and Closeout

On May 20, 2010, THF entered into an agreement with MDHA to administer the "We Are Home" program. Under the agreement, THF was allowed up to \$2,300,000 in grant funds from MDHA to provide flood repair assistance to homeowners impacted by the May 2010 floods in Nashville. Termination provisions under the agreement allow for MDHA to terminate the agreement anytime, at the convenience of MDHA, by a notice in writing from MDHA to THF specifying the effective day thereof, at least thirty days before the effective date of such termination. Program income provisions under the agreement allowed for THF to use loan proceeds and repayments for future eligible activities. Therefore, a liability was not recorded at the time of the original agreement.

On January 13, 2015, MDHA notified THF that they elected to terminate the contract without cause effective April 30, 2015. At the time of contract termination, there was \$1,048,716 in flood assistance loans held by THF that would be returned to MDHA. In 2015, a flood contract payable was established for \$1,048,716.

The Housing Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
September 30, 2025 and 2024

During 2024, THF determined it would not redeploy the program income for eligible activities. As such, THF returned to MDHA all cash program income collected, including interest earned on program income, and any future program income on flood assistance loans. THF recorded program expense of \$2,971,479 during the year ended September 30, 2024. As of September 30, 2024, the reported balance of the flood contract payable was \$3,188,998.

THF returned approximately \$2,004,000 to MDHA on January 31, 2025, representing all the program income cash as of December 31, 2024. Effective March 1, 2025, all loans were transferred to MDHA and borrowers were notified of the change in lenders. Additionally, all liens on the flood assistance loans have been transferred to MDHA.

The Housing Fund, Inc. and Subsidiaries

Consolidating Statement of Financial Position

September 30, 2025

	The Housing Fund, Inc.	Laurel House Apartments GP, Inc.	Laurel House 2001, L.P.	Consolidating Entries	Consolidated
Assets					
Cash and cash equivalents, undesignated	\$ 8,268,616	\$ -	\$ 548,147	\$ -	\$ 8,816,763
Cash and cash equivalents, designated for federal programs	1,819,624	-	-	-	1,819,624
Accounts receivable	389,362	-	27,403	(164,333)	252,432
Accrued interest on loans receivable	296,422	-	-	-	296,422
Loans receivable, net	29,905,275	-	-	(1,775,156)	28,130,119
Prepaid expenses and other assets	37,007	-	2,783	-	39,790
Tax, insurance and mortgage escrow reserves	-	-	318,638	-	318,638
Property, furniture and equipment, net	1,663,792	-	4,037,980	-	5,701,772
Right-of-use asset	396,862	-	-	(396,862)	-
Land and improvements for the Community Land Trust Program	529,470	-	-	-	529,470
Properties held for resale to low-to-moderate income individuals	4,872,581	-	-	-	4,872,581
Investment in subsidiary	1,393,035	-	-	(1,393,035)	-
Investment in limited partnership	-	200,000	-	(200,000)	-
Total assets	\$ 49,572,046	\$ 200,000	\$ 4,934,951	\$ (3,929,386)	\$ 50,777,611
Liabilities					
Accounts payable	\$ 297,408	\$ -	242,976	\$ -	\$ 540,384
Accrued expenses	82,956	-	167,974	(164,333)	86,597
Grants payable	523,706	-	-	-	523,706
Deferred grant revenue	2,895,382	-	-	-	2,895,382
Operating lease liability	396,862	-	-	(396,862)	-
Mortgage loans payable, Laurel House Apartments, net	-	-	3,330,966	(1,775,156)	1,555,810
Notes payable, investment partners	25,894,150	-	-	-	25,894,150
Total liabilities	30,090,464	-	3,741,916	(2,336,351)	31,496,029
Net Assets					
Without donor restrictions	17,080,505	200,000	1,193,035	(1,593,035)	16,880,505
With donor restrictions	2,401,077	-	-	-	2,401,077
Total net assets	19,481,582	200,000	1,193,035	(1,593,035)	19,281,582
Total liabilities and net assets	\$ 49,572,046	\$ 200,000	\$ 4,934,951	\$ (3,929,386)	\$ 50,777,611

The Housing Fund, Inc. and Subsidiaries

Consolidating Statement of Activities

Year Ended September 30, 2025

	The Housing Fund, Inc.	Laurel House Apartments GP, Inc.	Laurel House 2001, L.P.	Consolidating Entries	Consolidated
Support and Revenues					
Public support:					
Federal, state and local government grants	\$ 42,609	\$ -	\$ -	\$ -	\$ 42,609
Grants from private institutions	3,067,357	-	-	-	3,067,357
Revenues:					
Service and administrative fees	457,212	-	-	-	457,212
Rental income, Laurel House Apartments	206,804	-	712,127	(60,393)	858,538
Interest income:					
Loans	1,116,497	-	-	(44,871)	1,071,626
Other	493,665	-	-	-	493,665
Other	91,219	-	15,227	-	106,446
Loss on investment in subsidiaries	(162,602)	-	-	162,602	-
	<u>5,312,761</u>	<u>-</u>	<u>727,354</u>	<u>57,338</u>	<u>6,097,453</u>
Total support and revenues					
Expenses					
Program services:					
Lending	3,085,620	-	-	(32,235)	3,053,385
Community impact	1,893,626	-	-	(14,294)	1,879,332
Laurel House Apartments	-	-	889,956	(44,871)	845,085
Supporting services:					
Management and general	1,224,736	-	-	(13,864)	1,210,872
	<u>6,203,982</u>	<u>-</u>	<u>889,956</u>	<u>(105,264)</u>	<u>6,988,674</u>
Total expenses					
Change in net assets	(891,221)	-	(162,602)	162,602	(891,221)
Net Assets, Beginning	<u>20,372,803</u>	<u>200,000</u>	<u>1,355,637</u>	<u>(1,755,637)</u>	<u>20,172,803</u>
Net Assets, Ending	<u>\$ 19,481,582</u>	<u>\$ 200,000</u>	<u>\$ 1,193,035</u>	<u>\$ (1,593,035)</u>	<u>\$ 19,281,582</u>



Division of Business and Charitable Organizations
Department of State
 State of Tennessee
 312 Rosa L. Parks Avenue, 6th Floor
 Nashville, Tennessee 37243
 Phone: 615-741-2286
 sos.tn.gov/

Tre Hargett
 Secretary of State

JOSEPH J. JENSEN
 P. O. BOX 682305
 FRANKLIN, TN 37068-2305, USA

01/14/2026

Request Type: Certificate of Existence/Authorization

Issuance Date: 01/14/2026

Request #: C2026004588

Document Receipt

Order Number: C2026004588

Verification #: 31C768F9

Receipt #: 2026-51355

Filing Fee: \$20.00

Payment: Credit Card - 3913672512

\$20.00

Entity Name: THE HOUSING FUND, INC.

SOS Control #: 000308485

Initial Filing Date: 03/05/1996

Entity Type: Nonprofit Corporation

Formation Locale: TENNESSEE

Status: Active

Duration Term: Perpetual

Fiscal Year Close: September

Annual Report Due: 01/01/2027

Business County: DAVIDSON

Benefit Type: Mutual Benefit Corporation

Religious Type: Non-Religious

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

THE HOUSING FUND, INC.

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
 Secretary of State

Tennessee Secretary of State
Tre Hargett



Division of Business and Charitable Organizations
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243-1102

August 18, 2025

DAVID R PARRISH
P.O. BOX 657
MADISON, TN 37116 USA

RE: Registration to Solicit Funds for Charitable Purposes
Organization Name: HOUSING FUND, INC.
CO Number: CO4780
Renewal Date: 03/31/2026

Dear DAVID R PARRISH :

Pursuant to the Tennessee Charitable Solicitations Act, T.C.A. § 48-101-501, *et seq.* the Tennessee Secretary of State has reviewed your application and is pleased to announce your organization's registration to solicit contributions has been **approved**.

The organization must maintain statutory compliance by submitting a renewal application and required fees on an annual basis. At that time you may be required to submit tax filings, financial statements, proof of IRS status, and other documents related to your organization and its fundraising activities. You can find additional information and submit additional filings online at <https://sos.tn.gov/charities>. The "CO" Number listed above will serve as your organization's charitable registration number and should be used when submitting any charitable filings or correspondence.

Please also be advised that if the organization's application or other provided information includes false, misleading or deceptive statements, appropriate action will be taken. Pursuant to the Tennessee Charitable Solicitations Act, a civil penalty of up to five thousand dollars (\$5,000.00) may be assessed for any violation.

Thank you for registering your organization and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in black ink that reads "Tre Hargett".

Tre Hargett
Secretary of State

Tracking Number
2026107243



Tre Hargett
Secretary of State

Extension Request

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
tncab.tnsos.gov/portal/

Control #: CO4780
Filed: 03/02/2026 02:13 PM
Tre Hargett
Secretary of State

Extension Information

Organization Name: HOUSING FUND, INC.

CO Number: CO4780

Renewal Date: 3/31/2026

Extended Renewal Date: 6/29/2026

This extension request extends the renewal date by 90 days.



CINCINNATI OH 45999-0038

In reply refer to: 0248144558
Sep. 19, 2018 LTR 4168C 0
62-1632388 000000 00
00016238
BODC: TE

THE HOUSING FUND INC
% LORETTA OWENS
305 11TH AVE S
NASHVILLE TN 37203

3951

Employer ID number: 62-1632388
Form 990 required: Yes

Dear Taxpayer:

We're responding to your request dated Sep. 11, 2018, about your tax-exempt status.

We issued you a determination letter in June 1996, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

0248144558
Sep. 19, 2018 LTR 4168C 0
62-1632388 000000 00
00016239

THE HOUSING FUND INC
% LORETTA OWENS
305 11TH AVE S
NASHVILLE TN 37203

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,



Kim A. Billups, Operations Manager
Accounts Management Operations 1