

INVESTMENT GRADE RATINGS

Ratings reflect a credit rating agency's opinion of a state's creditworthiness relative to other borrowers in the financial markets. Ratings below Baa3/BBB-/BBB-/BBB- are considered speculative credits ("junk bonds").

The rating agencies also assign "positive," "stable," and "negative" outlooks to their ratings to indicate the direction the rating is likely to move over an intermediate time period. The outlooks represent trends affecting a credit which have not reached a level warranting a change in a state's credit rating, but may if continued. A negative outlook indicates a higher likelihood of a downgrade in a state's credit rating while a positive outlook indicates a higher likelihood of an upgrade in a state's credit rating.

Moody's*		Standard and Poor's*		Fitch*		Kroll*		Description
Long-Term	Short-Term**	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	
Aaa	MIG 1	AAA	A-1+	AAA	F1+	AAA	K1+	Prime
Aa1		AA+		AA+		AA+		High Grade
Aa2***		AA		AA***		AA		
Aa3****		AA-		AA-****		AA-***		
A1		A+***	A-1	A+	F1/F1+	A+****	K1/K1+	Upper Medium Grade
A2	MIG 2	A****		A	F1/F1+	A	K1	
A3		A-	A-2	A-	F2/F1	A-	K2/K1	Lower Medium Grade
Baa1		BBB+		BBB+	F2/F1	BBB+	K2	
Baa2	MIG 3	BBB	A-3	BBB	F3/F2	BBB	K3/K2	Medium Grade
Baa3		BBB-		BBB-	F3	BBB-	K3	

*Outlooks are Stable/Stable/Stable/Stable

**MIG is Moody's acronym for Municipal Investment Grade

***Commonwealth's issuer credit/default ratings (ICRs/IDRs)/implied general obligation ratings (effectively what the Commonwealth's general obligation ratings would be if it were to issue general obligation debt)

****Commonwealth's lease appropriation rating for general fund supported debt

State Investor Relations and Debt Calendar websites are <https://bonds.ky.gov> and <https://finance.ky.gov/office-of-the-controller/office-of-financial-management/Documents/CurrentBondCalendar.pdf>.

PRELIMINARY NEW BOND ISSUE REPORT *

Issue: Western Kentucky University
General Receipts Bonds, 2025 Series A

Purpose of Issue: Bond proceeds will be used to 1) finance the additional costs of the Project listed as "Construct, Renovate, and Improve Athletic Facilities" authorized in an amount not to exceed \$10,000,000 in S.B. 25 of the 2025 Regular Session of the Kentucky General Assembly; and 2) pay the costs of credit enhancement for the Series 2025 Obligations, if any; and 3) pay costs of issuance.

Projected Date of Sale: October 9, 2025
Date of Delivery: October 30, 2025

Ratings:
Moody's: TBD

Sources:

Par amount of bonds:	\$8,245,000.00
<u>Total Sources:</u>	\$8,245,000.00

Uses:

Project Fund Deposit:	\$8,000,000.00
Issuance Cost:	\$80,100.00
Underwriter's Discount:	\$164,900.00
<u>Total Uses:</u>	\$8,245,000.00

All-in True Interest Cost:	4.819%
Final Maturity Date:	September 1, 2045
Average Annual Debt Service:	\$635,431.91
Total Debt Service:	\$12,604,497.92
Average Life (years):	11.672

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl, LLP
Trustee:	U.S. Bank
Financial Advisor:	Baird

Based off cashflows as of 8/29/2025

*Preliminary Subject to Change, does not include premium or discount

BOND DEBT SERVICE

Western Kentucky University
General Receipts Bonds, 2025 Series A
A2 Rev Rates +25bps

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2026			114,486.67	114,486.67	
06/30/2026					114,486.67
09/01/2026	285,000	2.760%	170,310.75	455,310.75	
03/01/2027			166,377.75	166,377.75	
06/30/2027					621,688.50
09/01/2027	295,000	2.790%	166,377.75	461,377.75	
03/01/2028			162,262.50	162,262.50	
06/30/2028					623,640.25
09/01/2028	305,000	2.810%	162,262.50	467,262.50	
03/01/2029			157,977.25	157,977.25	
06/30/2029					625,239.75
09/01/2029	315,000	2.840%	157,977.25	472,977.25	
03/01/2030			153,504.25	153,504.25	
06/30/2030					626,481.50
09/01/2030	320,000	2.970%	153,504.25	473,504.25	
03/01/2031			148,752.25	148,752.25	
06/30/2031					622,256.50
09/01/2031	330,000	3.160%	148,752.25	478,752.25	
03/01/2032			143,538.25	143,538.25	
06/30/2032					622,290.50
09/01/2032	345,000	3.340%	143,538.25	488,538.25	
03/01/2033			137,776.75	137,776.75	
06/30/2033					626,315.00
09/01/2033	355,000	3.500%	137,776.75	492,776.75	
03/01/2034			131,564.25	131,564.25	
06/30/2034					624,341.00
09/01/2034	370,000	3.710%	131,564.25	501,564.25	
03/01/2035			124,700.75	124,700.75	
06/30/2035					626,265.00
09/01/2035	380,000	3.910%	124,700.75	504,700.75	
03/01/2036			117,271.75	117,271.75	
06/30/2036					621,972.50
09/01/2036	400,000	4.120%	117,271.75	517,271.75	
03/01/2037			109,031.75	109,031.75	
06/30/2037					626,303.50
09/01/2037	415,000	4.330%	109,031.75	524,031.75	
03/01/2038			100,047.00	100,047.00	
06/30/2038					624,078.75
09/01/2038	435,000	4.480%	100,047.00	535,047.00	
03/01/2039			90,303.00	90,303.00	
06/30/2039					625,350.00
09/01/2039	455,000	4.630%	90,303.00	545,303.00	
03/01/2040			79,769.75	79,769.75	
06/30/2040					625,072.75
09/01/2040	475,000	4.730%	79,769.75	554,769.75	
03/01/2041			68,536.00	68,536.00	
06/30/2041					623,305.75
09/01/2041	500,000	4.780%	68,536.00	568,536.00	
03/01/2042			56,586.00	56,586.00	
06/30/2042					625,122.00
09/01/2042	525,000	4.880%	56,586.00	581,586.00	
03/01/2043			43,776.00	43,776.00	
06/30/2043					625,362.00
09/01/2043	550,000	4.980%	43,776.00	593,776.00	
03/01/2044			30,081.00	30,081.00	
06/30/2044					623,857.00
09/01/2044	580,000	5.030%	30,081.00	610,081.00	
03/01/2045			15,494.00	15,494.00	
06/30/2045					625,575.00
09/01/2045	610,000	5.080%	15,494.00	625,494.00	
06/30/2046					625,494.00
	8,245,000		4,359,497.92	12,604,497.92	12,604,497.92



Andy Beshear
GOVERNOR

FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE CONTROLLER
OFFICE OF FINANCIAL MANAGEMENT

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622
Phone: (502) 564-2924

Holly M. Johnson
SECRETARY

L. Joe McDaniel
CONTROLLER

Chelsey Couch
EXECUTIVE DIRECTOR

August 22, 2025

M. B. Denham Jr.
Board Chair
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601-6191

Dear Board Chair Denham:

This letter will advise that the Office of Financial Management ("OFM") of the Finance and Administration Cabinet has reviewed and is hereby approving the issuance of the Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (SOCAYR-Bywater WKY Portfolio Project), Series 2025 in a principal amount of \$46,129,448 ("Bonds"). The Bonds, by their terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the Bonds and interest thereon shall not be deemed to constitute a debt, liability or obligation of the Kentucky Housing Corporation ("KHC") or the Commonwealth of Kentucky or any political subdivision thereof. OFM notes that the project was presented to the Capital Projects and Bond Oversight Committee ("CPBO") at the November 19, 2024, meeting. KHC board approved the authorizing resolution on October 31, 2024. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

DocuSigned by:

A blue ink signature of Steven Starkweather.

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Steven Starkweather
Deputy Executive Director

Attachments

Final New Bond Issue Report

Bond Issue:

Name of Bond Issue:	Kentucky Housing Corporation Multifamily Mortgage Revenue Note, Series 2025 – Commonwealth Court (“CC Note”); Kentucky Housing Corporation Multifamily Mortgage Revenue Note, Series 2025 – Emery Flats (“EF Note”); Kentucky Housing Corporation Multifamily Mortgage Revenue Note, Series 2025 – Marketplace Commons (“MC Note, together with CC Note and EF Note, the “Notes”).		
Purpose of Issue:	The proceeds of the Notes will be used to finance the acquisition, construction and equipping of multifamily residential rental facilities containing 180 units located at 1200 Morgantown Road, Bowling Green, Kentucky (“Emery Flats”); 66 units at 975 South Commonwealth Drive, Mayfield, KY (“Commonwealth Court”), and 48 units at approximately 59 Recovery Drive, Dawson Springs, Kentucky (“Marketplace Commons”).		
Name of Project:	SOCAYR-Bywater WKY Portfolio, which is comprised of three properties: Emery Flats, Commonwealth Court, and Marketplace Commons		
KHC Final Approval:	May 29, 2025		
Date of Sale:	August 15, 2025		
Date of Issuance:	August 22, 2025		
Ratings:	N/A (Private Placement)		
Net Proceeds:	\$46,129,448		
Cost of Issuance:	See Exhibit A*		
Total Project Cost:	\$91,150,957 (See breakdown in Exhibit A)		
Terms of Issue:	Net interest rate:	6.60% (construction debt) 6.27% (permanent debt)	
	Maturity date:	EF Note – September 1, 2044 CC Note – June 1, 2044 MC Note – December 1, 2043	
	Average annual debt service:	\$1,433,408	
Premium:	Make Whole Premium		
Method of Sale:	Private Placement		
Bond Counsel:	Stites & Harbison, PLLC		
Lender/Purchaser(s) Counsel:	Vice Cox & Townsend PLLC (construction) / Winthrop & Weinstine (permanent)		
Lender/Purchaser(s):	HOPE of Kentucky, LLC (construction) / Cedar Rapids Bank & Trust (permanent)		
Developers:	SOCAYR, Inc. and Bywater Development Group LLC		

* \$88,000 of costs of issuance funded from proceeds of the Notes.

Exhibit A

Permanent Project Funding Sources:

Tax-exempt Bonds [#]	\$20,740,000
Low-Income Housing Tax Credit Equity	\$34,825,165
CDBG-DR	\$24,678,064
GP Equity	\$300
Developer Note	\$5,982,562
Deferred Development Fee	<u>\$4,924,866</u>
Total	\$91,150,957

The total tax-exempt bonds outstanding after issuance is \$46,129,448. At the end of construction, \$25,389,448 of the tax-exempt bonds will be retired, leaving \$20,740,000 outstanding.

Costs of Issuance:

Payee Name	Fees received
HOPE of Kentucky, LLC Origination	\$462,395
KHC Tax-Exempt Bond Portfolio Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$10,500
KHC Tax Credit Reservation Fee	\$417,475
KHC Market Study Review Fee	\$3,600
KHC Construction Inspection Fee	\$73,058
KHC Tax-Exempt Bond Upfront Issuer Fee	\$276,777
KHC Tax-Exempt Bond Annual Fee	\$150,986
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Issuer's Counsel	\$25,000
Bond Counsel	\$105,000
TEFRA/Publication/Print	<u>\$2,228</u>
Total	\$1,533,019

Cost per unit breakdown

Property	Cost per Unit
Emery Flats	\$291,101
Commonwealth Court	\$328,854
Marketplace Commons	\$361,683