

SUPPLEMENT TO DISCLOSURE STATEMENT
DATED DECEMBER 30, 2016

relating to

Idaho Housing and Finance Association
Tax Exempt Mortgage-backed Securities
2017 Series J (G2)
(TEMS)

General. Capitalized terms used in this Supplement have the meanings given to such terms in the Disclosure Statement referred to above. On December 7, 2017, Idaho Housing and Finance Association (“IHFA”) and Stifel entered into a Transaction for the delivery of TEMS Certificates with the following terms and characteristics:

Series Designation: 2017 Series J (G2)

CUSIP number for TEMS Certificates delivered pursuant to such Transaction: 45129W NY2

Expected initial principal amount of TEMS Certificates to be delivered under such CUSIP: \$26,322,921

Expected face amount of TEMS Certificates to be delivered under such CUSIP: \$26,322,921

Interest Rate: 3% per annum

Maturity Date: December 21, 2047

Issue Date: December 1, 2017

Settlement Date: December 20, 2017

Initial offering price: 102.703125%

Form of Related Mortgage-backed Security: GNMA II

Difference between initial offering price and price paid by Stifel (at expected initial principal amount): \$151,151.15

Rating: S&P: AA+

Continuing disclosure. IHFA shall, or shall cause the Dissemination Agent to, not later than six months after the end of IHFA’s fiscal year, commencing with a report for the fiscal year ending June 30, 2017 provide to the MSRB an Annual Disclosure Report which is consistent with the requirements of Section 4 of the Disclosure Certificate.

IHFA extended its 2016 EMMA submissions, which were timely filed on December 29, 2016, to additional CUSIPs after the filing deadline. IHFA extended and supplemented certain of its prior EMMA submissions, including but not limited to single family financial and operating data for the fiscal year ending June 30, 2015 and federal highway information for the fiscal years ending June 30, 2012, 2013, 2014, 2015 and 2016, in 2017 after further review and discovery of the nature of its prior filings.

Amendment to Disclosure Statement. The second sentence of the first paragraph on page G-2 of the Disclosure Statement shall be amended to the following: “If less than all of the TEMS Certificates within a maturity are being redeemed, the principal amount of each Direct Participant’s interest in such issue to be redeemed shall be determined on a pro rata basis in accordance with the “Pro Rata Pass-Through Distributions of Principal” procedures of DTC.”

Dated: December 7, 2017

NEW ISSUES

In the opinion of Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP, Special Co-Counsel to the Issuer, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the TEMS Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code. In the further opinion of Special Co-Counsel, interest on the TEMS Certificates is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, nor is such interest included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Co-Counsel is also of the opinion that interest on the TEMS Certificates is exempt from Idaho personal income taxes. Special Co-Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the TEMS Certificates. See "TAX MATTERS" herein.

IDAHO HOUSING AND FINANCE ASSOCIATION Tax-Exempt Mortgage-backed Securities (TEMS)

The Idaho Housing and Finance Association Tax-Exempt Mortgage-backed Securities (the "TEMS Certificates") will be issued under and pursuant to a General Indenture of Trust, dated as of October 1, 2015 (the "General Indenture"), between Idaho Housing and Finance Association (the "Issuer") and Zions Bank, a division of ZB, National Association, as trustee (the "Trustee"), and a Series Indenture (a "Series Indenture" and, collectively with the General Indenture, the "Indenture"), between the Issuer and the Trustee, relating to each series of TEMS Certificates issued (each a "Series").

The TEMS Certificates are issuable only as fully registered certificates without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the TEMS Certificates. Individual purchases will be made in book-entry form only, in the amount of \$1,000 face amount and integral multiples of \$1.00 in excess thereof. Purchasers will not receive certificates representing their interest in TEMS Certificates purchased.

Each Series will be issued to finance and will be secured by a single mortgage pass-through certificate (the "Related Mortgage-backed Security") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation. The series designation (indicating the type of Related Mortgage-backed Security securing such Series), aggregate principal amount, aggregate face amount (if different), issue date, maturity date, interest rate and settlement date for each Series shall be as set forth in the related Series Indenture and shall be described, together with the initial reoffering price, if applicable, in a Supplement to this Disclosure Statement delivered by the Issuer in connection with the sale of the TEMS Certificates of such Series.

Interest on the TEMS Certificates is payable on the business day following receipt of an interest payment under the Related Mortgage-backed Security and principal on the TEMS Certificate of each Series is payable on the business day following receipt of a principal payment or repayment under the Related Mortgage-backed Security. Principal and interest on the TEMS Certificates are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the TEMS Certificates, as described under "APPENDIX G – BOOK-ENTRY SYSTEM" herein.

The TEMS Certificates are special, limited obligations of Idaho Housing and Finance Association, payable solely from and secured by the pledge pursuant to the Indenture of the Related Revenues, the Related Mortgage-backed Security and the funds pledged therefor under the Indenture. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS Certificates and neither the faith and credit nor the taxing power of the State of Idaho or of any political subdivision thereof is pledged to the payment of the principal of or interest on the TEMS Certificates. The Issuer has no taxing power.

The TEMS Certificates of each Series are offered when, as and if received by Stifel, Nicolaus & Company, Inc. ("Stifel"), subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP, and certain other conditions.

Stifel

Dated: December 30, 2016

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Disclosure Statement.

The information set forth herein has been obtained from the Issuer and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by Stifel. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Disclosure Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or any other parties described herein since the date as of which such information is presented.

In connection with this offering, Stifel may over-allot or effect transactions which stabilize or maintain the market price of the TEMS Certificates offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Stifel has provided the following sentence for inclusion in this Disclosure Statement. Stifel has reviewed the information in this Disclosure Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but Stifel does not guarantee the accuracy or completeness of such information.

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DISCLOSURE STATEMENT
of
Idaho Housing and Finance Association
relating to its
Tax-Exempt Mortgage-backed Securities
(TEMS)

This Disclosure Statement (which includes the cover page and appendices hereto) of Idaho Housing and Finance Association (the “Issuer”) provides certain information in connection with the issuance and sale of the Issuer’s Tax-Exempt Mortgage-backed Securities (the “TEMS Certificates”). The TEMS Certificates will be issued pursuant to the Idaho Code, Title 67, Chapter 62, as amended (the “Act”) a General Indenture of Trust, dated as of October 1, 2015 (the “General Indenture”), between Idaho Housing and Finance Association (the “Issuer”) and Zions Bank, a division of ZB, National Association, as trustee (the “Trustee”), and a Series Indenture (a “Series Indenture” and, collectively with the General Indenture, the “Indenture”) between the Issuer and the Trustee, relating to each series of certificates issued (each a “Series”). The Issuer is issuing the TEMS Certificates in furtherance of its Single Family Mortgage Program (the “Program”) to provide financing for the purchase of housing by low and moderate income persons within the State of Idaho (the “State”).

IN CONNECTION WITH EACH OFFERING OF CERTIFICATES THE ISSUER WILL DELIVER A SUPPLEMENT TO THIS DISCLOSURE STATEMENT SPECIFYING THE SERIES DESIGNATION, ISSUE DATE, SETTLEMENT DATE, FORM OF THE RELATED MORTGAGE-BACKED SECURITY (AS DEFINED BELOW) INTEREST RATE, EXPECTED PRINCIPAL AMOUNT AND THE CUSIP NUMBER OF THE CERTIFICATES OFFERED, WHICH SUPPLEMENT THE ISSUER WILL AMEND PRIOR TO THE SETTLEMENT OF SUCH CERTIFICATES WITH AN AMENDMENT SPECIFYING THE ACTUAL PRINCIPAL AMOUNT OF SUCH CERTIFICATES DELIVERED, THE AGGREGATE PRINCIPAL AMOUNT OF THE SERIES OF WHICH SUCH CERTIFICATES ARE A PART AND IDENTIFYING THE POOL NUMBER AND CUSIP NUMBER OF THE RELATED MORTGAGE-BACKED SECURITY. THIS DISCLOSURE STATEMENT AS SUPPLEMENTED SHALL CONSTITUTE THE “DISCLOSURE STATEMENT” OF THE ISSUER FOR SUCH SERIES AND MUST BE READ BY PURCHASERS OF SUCH SERIES IN ITS ENTIRETY.

All capitalized terms used in this Disclosure Statement that are defined in the Indenture shall have the respective meanings set forth in the Indenture. See “APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions of Certain Terms.”

INTRODUCTION

The Issuer and Stifel, Nicolaus & Company, Inc. (“Stifel”), have entered into a Master Securities Forward Transaction Agreement, dated as of September 1, 2015 (as amended or supplemented from time to time, including by Transactions (defined below), the “Forward Sale Agreement”), pursuant to which the Issuer will agree to sell TEMS Certificates to Stifel. Each Series of TEMS Certificates (a “Series”) will be issued to finance and will be secured by a single mortgage pass-through certificate (a “Mortgage-backed Security”) guaranteed as to principal and interest by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Each Mortgage-backed Security will be backed by thirty-year, fixed-rate mortgage loans (the “Related Mortgage Loans”) secured by mortgages constituting first liens on single family, owner-occupied housing (i) for GNMA Certificates (defined below), insured or guaranteed under certain federal mortgage insurance or guarantee programs, (ii) for Fannie Mae Certificates (defined below), satisfying the mortgage loan eligibility criteria of Fannie Mae or (iii) for Freddie Mac Certificates (defined below), satisfying the mortgage loan purchase standards of Freddie Mac. See “THE RELATED MORTGAGE LOANS,” “APPENDIX A – GNMA MORTGAGE-BACKED SECURITIES PROGRAM,” “APPENDIX B – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” and “APPENDIX C – FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM.”

Each transaction entered into under the Forward Sale Agreement (each a “Transaction”) will provide for the issuance and sale to Stifel of TEMS Certificates in a specified principal amount, with a specified interest rate, on a specified

date and at a specified price. Each Series will consist of TEMS Certificates issued on the same date pursuant to one or more Transactions and secured by a single Mortgage-backed Security. The Mortgage-backed Security pledged to secure a particular Series is referred to herein as the "Related Mortgage-backed Security." The delivery of each Series of TEMS Certificates is subject to the satisfaction of a number of conditions. See "FORWARD DELIVERY."

The face amount of each Series of TEMS Certificates will equal the face amount of the Related Mortgage-backed Security, which is equal to the aggregate principal amount of the Related Mortgage Loans at the time the Related Mortgage-backed Security is originated. The principal amount of each Series will equal from time to time the then current principal amount of the Related Mortgage-backed Security, which will equal from time to time the product of the face amount of the Related Mortgage-backed Security and the then applicable factor posted by GNMA, Fannie Mae or Freddie Mac as the Related Mortgage Loans amortize or are prepaid (the "Related Factor"). With respect to Mortgage-backed Securities guaranteed by GNMA ("GNMA Certificates"), Related Factors will be reported by the Issuer to the GNMA information agent, currently Bank of New York Mellon, who posts such factors to the GNMA website. As of the date of this Disclosure Statement, factors for mortgage pass-through certificates guaranteed by GNMA are posted at <https://structuredginniemae.ginnienet.com/FactorReporting/>. With respect to Mortgage-backed Securities guaranteed by Fannie Mae ("Fannie Mae Certificates"), Related Factors will be published by Fannie Mae. As of the date of this Disclosure Statement, factors for mortgage pass-through certificates guaranteed by Fannie Mae are posted at <https://mbsdisclosure.fanniemae.com/PoolTalk2/index.html>. With respect to Mortgage-backed Securities guaranteed by Freddie Mac ("Freddie Mac Certificates"), Related Factors will be made available by Freddie Mac. As of the date of this Disclosure Statement, factors for mortgage pass-through certificates guaranteed by Freddie Mac are posted at http://www.freddiemac.com/mbs/html/sd_pc_lookup.html. Whether or not a principal payment or payments have been made on the Related Mortgage-backed Security prior to the issuance of the TEMS Certificates of a Series, the TEMS Certificates of such Series will be issued in an aggregate face amount equal to the face amount of the Related Mortgage-backed Security and an aggregate principal amount equal to the product of the face amount of the Related Mortgage-backed Security and the Related Factor as of the date of delivery of such Series of TEMS Certificates to the initial purchaser thereof.

The interest rate on each TEMS Certificate will equal the interest rate (the pass-through rate) on the Related Mortgage-backed Security. Payments on the Related Mortgage-backed Security will be remitted to the Trustee. Interest on the TEMS Certificates of each Series is payable on the Business Day following receipt of an interest payment under the Related Mortgage-backed Security and principal on the TEMS Certificates of a Series is payable on the Business Day following receipt of a principal payment or repayment under the Related Mortgage-backed Security. Each Series is secured separately from each of the other Series and will be secured by and payable from only the Related Mortgage-backed Security and Related Revenues. An Event of Default under the General Indenture with respect to one Series will not constitute an Event of Default with respect to any other Series.

The TEMS Certificates are special obligations of the Issuer, payable solely from and secured by the pledge pursuant to the Indenture of the Related Revenues, the Related Mortgage-backed Security and the funds pledged therefor under the Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE TEMS CERTIFICATES."

Neither the State nor any political subdivision thereof is obligated to pay the TEMS Certificates and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or interest on the TEMS Certificates. The Issuer has no taxing power.

In addition to the Program, the Issuer is authorized under the Act to engage in certain other activities. TEMS Certificates may not be used to finance any activities of the Issuer other than the Program.

FORWARD DELIVERY

General. Pursuant to the Forward Sale Agreement, the Issuer will agree to deliver to Stifel the TEMS Certificates of each Series in the aggregate principal amount and on the date specified in the Transaction related to such Series, which may be as much as 90 days after the date of the Transaction. The obligation of Stifel to accept delivery of the TEMS Certificates will be subject to a variety of conditions, including the delivery of an opinion of Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP in the form set forth in Appendix D hereto. In addition, the Forward Sale Agreement applies the Uniform Practices for Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities published by the Securities Industry and Financial Markets Association (the "SIFMA Uniform Practices") to Transactions for TEMS Certificates as if such TEMS Certificates were GNMA, Fannie Mae or Freddie Mac mortgage pass-through certificates. The

SIFMA Uniform Practices guide is available for purchase through the SIFMA website at <https://www.sifma.org/bookstore/>. Under an exception to the SIFMA Uniform Practices agreed to by Stifel and the Issuer, the variance permitted on forward delivery purchases of TEMS Certificates will be plus or minus 1.0% of the amount of the Transaction agreed to by the parties. Investors will be obligated to accept delivery of TEMS Certificates of a Series up to and including plus or minus 1.0% of the aggregate principal amount of the TEMS Certificates of such Series such investors agreed to purchase from Stifel.

Early Issuance. The Issuer may issue, and Stifel may agree to accept delivery of, TEMS Certificates on a date prior to the settlement date specified in the original Transaction for such TEMS Certificates, and Stifel may agree in such event to pay to the Issuer a price for such TEMS Certificates different from the price specified in the original Transaction. In such event, unless otherwise agreed by Stifel, such TEMS Certificates would nevertheless be delivered by Stifel to investors on the originally specified settlement date.

Nondelivery or Underdelivery. As of the settlement date specified by a Transaction for a Series, the Issuer may not have made or purchased Mortgage Loans in an amount sufficient, or otherwise may be unable, to issue the Related Mortgage-backed Security and the Related TEMS Certificates in an amount equal to the full aggregate principal amount specified by the applicable Transaction. If the TEMS Certificates of a Series are not delivered by the Issuer (a “Nondelivery”) or are delivered in an aggregate principal amount which is less than 99% of the aggregate principal amount specified in the Transaction (an “Underdelivery”), the Issuer may be obligated in accordance with the Forward Sale Agreement and in accordance with the principles of the SIFMA Uniform Practices to pay to Stifel its loss, damage, cost or expense, if any, directly arising or resulting from the occurrence of such Nondelivery or Underdelivery. In the event of an Underdelivery, if and to the extent Stifel elects to accept delivery of the TEMS Certificates of such Series, investors will be obligated to accept delivery of TEMS Certificates of such Series in a principal amount less than the principal amount such investors agreed to purchase from Stifel. In the event of a Nondelivery or if Stifel does not accept delivery of TEMS Certificates of such Series upon an Underdelivery, investors will not receive TEMS Certificates of such Series. If a Nondelivery or Underdelivery occurs, investors may receive a payment for loss, damage, cost or expense, if any, directly arising or resulting from such occurrence.

Potential Causes of Nondelivery or Underdelivery. Competition in making real estate loans in the State of Idaho normally comes primarily from commercial banks and other mortgage lenders in the area. One of the principal factors in competing for real estate loans is the interest rate charged to the mortgagor. If interest rates on other available mortgage loans decline substantially, the Issuer may not be able to make or purchase Mortgage Loans to be pooled into Mortgage-backed Securities. The origination of Mortgage Loans may also be affected by events affecting the economy of the State such as the rate of job growth and building activity. If the Issuer is not able to purchase Mortgage Loans it will not be able to issue or deliver, as applicable, Mortgage-backed Securities or TEMS Certificates. In addition, a change to the existing GNMA Program, Fannie Mae Program or Freddie Mac Program or the inability of the Issuer to obtain and retain required authority could affect the Issuer’s ability to issue, as applicable, Mortgage-backed Securities. An Underdelivery may also occur as a result of the prepayment of one or more of the Mortgage Loans backing a Mortgage-backed Security. There can be no assurance, therefore, that the Issuer will be able to issue the Related Mortgage-backed Security in such amount and by such time as will be necessary to enable delivery of the TEMS Certificates of a Series in the aggregate principal amount and on the settlement date specified for such Series in the Forward Sale Agreement.

DESCRIPTION OF THE TEMS CERTIFICATES

General. The TEMS Certificates may be issued in the minimum denominations of \$1,000 face amount and integral multiples of \$1.00 in excess thereof. Each TEMS Certificate will receive a designation indicating its Series and subseries (if a Series includes more than one transaction) and the type of Related Mortgage-backed Security (“G1” for GNMA I Certificates, “G2” for GNMA II Certificates, “FN” for Fannie Mae Certificates and “FR” for Freddie Mac Certificates). The TEMS Certificates are issuable only as fully registered certificates without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the TEMS Certificates. Individual purchases will be made in book-entry form only. Purchasers will not receive certificates representing their interest in TEMS Certificates purchased. See “APPENDIX G – BOOK-ENTRY SYSTEM.”

The TEMS Certificates will be dated (have an “Issue Date”) and have a final payment date (the “Final Maturity Date”) on the respective dates identified in the Supplement to this Disclosure Statement for the Related Series. The TEMS

Certificates will bear interest from their Issue Date at the Interest Rate set forth in the Supplement to this Disclosure Statement for the Related Series based upon the pass-through rate for the Related Mortgage-backed Security.

Principal and interest will be payable for each Series on the Business Day following the receipt by the Trustee of a payment of principal or interest, as applicable, on the Related Mortgage-backed Security and will be in amounts equal to the payments received by the Trustee under the Related Mortgage-backed Security, as described in the following paragraphs.

On the first Business Day following receipt of a payment representing interest under a Related Mortgage-backed Security, the Trustee will pay to the TEMS Certificate owners of record as of the applicable record date the amount so received as a payment of interest on the TEMS Certificates of the Related Series. All payments of interest with respect to a Series will be paid to TEMS Certificate owners of that Series in proportion to the principal amount of each TEMS Certificate of that Series owned by each such owner as set forth on the records of the Trustee at the close of business on the last day of the calendar month prior to the calendar month in which such payment occurs (the "TEMS Certificate Record Date").

On the first Business Day following receipt of principal payments or repayments under a Related Mortgage-backed Security, the Trustee will pay to the TEMS Certificate owners of the Related Series the amount so received as a payment of principal on the TEMS Certificates. All payments of principal with respect to a Series will be paid to TEMS Certificate owners of that Series in proportion to the principal amount of each TEMS Certificate of that Series owned by each such owner as set forth on the records of the Trustee at the close of business on the TEMS Certificate Record Date.

So long as Cede & Co. or another nominee designated by DTC is the registered owner of the TEMS Certificates, principal and interest on the TEMS Certificates are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the TEMS Certificates. See "APPENDIX G – BOOK-ENTRY SYSTEM."

GNMA Certificate Payments. Payments of principal and interest on GNMA Certificates that are issued as GNMA I securities are required to be made on the 15th calendar day of each month (or, if the 15th calendar day is not a business day, then the next business day). Payments of principal and interest on GNMA Certificates that are issued as GNMA II securities are required to be made on the 20th calendar day of each month (or if the 20th is not a business day, the next business day).

Interest due on each GNMA Certificate each month is computed as one-twelfth the annual pass-through interest rate on such GNMA Certificate, multiplied by the remaining principal balance of such GNMA Certificate at the end of the prior month. Scheduled principal payments due each month on each GNMA Certificate are the scheduled amounts of principal due on the Related Mortgage Loans on the first day of the month in which the principal payments on the GNMA Certificates are due. Each monthly payment to the Trustee as holder of each GNMA Certificate must also include all unscheduled recoveries of principal received by the Issuer (as issuer of the GNMA Certificate and servicer of the Related Mortgage Loans) through the monthly reporting cut-off date preceding the date on which principal payments on the GNMA Certificate are due. Unscheduled recoveries of principal include, but are not limited to, the following: (a) Mortgage Loan curtailments (excluding scheduled payments made in advance of their due dates, which the issuer of the GNMA Certificate is to hold in the custodial account and either pay to security holders or deposit in connection with the scheduled security payment date); (b) mortgage or title insurance and mortgage guaranty claim settlement proceeds; (c) hazard insurance and condemnation proceeds, to the extent not used to repair the collateral for the Mortgage Loan; (d) proceeds from foreclosure or repossession sales and any payments received in lieu of foreclosure or collateral repossession; (e) any principal amount of a Mortgage Loan finally discharged by a bankruptcy court; (f) proceeds from any disposal or transfer of a Mortgage Loan, except for authorized transfers of GNMA Certificate issuer responsibility or pledges of servicing.; (g) payment from the GNMA Certificate issuer's own funds as required below; and (h) all other payments or proceeds that reflect the recovery of principal on a Mortgage Loan. The entire amount of any such payment, whether or not actually received by the issuer of the GNMA Certificate, will be considered an unscheduled recovery of principal. See also "APPENDIX A – GNMA MORTGAGE-BACKED SECURITIES PROGRAM."

Fannie Mae Certificate Payments. Payments on a Fannie Mae Certificate will be made on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or, if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any

Mortgage Loan that was prepaid in full during the calendar month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances), (iii) the amount of any partial prepayment of a Mortgage Loan received in the calendar month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distribution, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. See also "APPENDIX B – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM."

Freddie Mac Certificate Payments. Payments on Freddie Mac Certificates begin on or about the fifteenth day of the first month following issuance. Each month, Freddie Mac passes through to record holders of Freddie Mac Certificates their proportionate share of principal payments on the mortgages in the related pool and one month's interest at the applicable pass-through rate.

Freddie Mac may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will Freddie Mac make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity. See also "APPENDIX C – FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM."

Transfer of TEMS Certificates. While DTC is securities depository for book-entry TEMS Certificates, the transfer of beneficial ownership of TEMS Certificates shall take place as described in "APPENDIX G – BOOK-ENTRY SYSTEM." If DTC were to terminate its status as securities depository for the TEMS Certificates and, as a result, TEMS Certificates were no longer book-entry securities, no transfer of a TEMS Certificate will be made unless made upon the records kept for that purpose at the corporate trust office of the Trustee, by the registered owner of the TEMS Certificate or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee. Upon the transfer of any such TEMS Certificate, the Issuer shall issue and the Trustee shall authenticate and deliver to and in the name of the transferee a new fully registered TEMS Certificate, of the same Series, aggregate principal amount, interest rate, maturity and other terms as the surrendered TEMS Certificate.

At all times, the Issuer and the Trustee may deem and treat the person in whose name any TEMS Certificate shall be registered upon the records of the Issuer as the absolute owner of such TEMS Certificate, whether such TEMS Certificate shall be a book-entry security or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such TEMS Certificate and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such TEMS Certificate to the extent of the sum or sums so paid.

Optional Exchange of TEMS Certificates for Related Mortgage-backed Securities. A beneficial owner of TEMS Certificates may file with the Trustee a written request to exchange TEMS Certificates of a Series for a like principal amount of the Related Mortgage-backed Security from the trust estate, *provided*, that such Related Mortgage-backed Security will be, when delivered, in a face amount equal to \$1,000 or a multiple of \$1.00 in excess thereof. Such written request must be delivered to the Trustee at least one Business Day prior to the exchange date and must be in the form attached hereto as "APPENDIX H – FORM OF NOTICE OF REQUEST TO EXCHANGE" or such other form as may be approved by the Trustee. After validating the request, the Trustee will transfer and deliver to such requesting owner the Trustee's beneficial ownership interest in the Related Mortgage-backed Security promptly following (i) delivery to the Trustee (via DTC withdrawal or DWAC) of the TEMS Certificates being exchanged and (ii) payment by the requesting owner of the Trustee's exchange fee (\$1,000 as of the date of this Disclosure Statement) with respect to such TEMS Certificates. Such Mortgage-backed Securities will be in book-entry form. Transfers of Mortgage-backed Securities will be made in accordance with current market practices, including the applicable provisions of the SIFMA's Uniform Practices for the Clearance and

Settlement of Mortgage-Backed Securities and Other Related Securities. Upon receipt of such TEMS Certificates from the requesting beneficial owner, the Trustee will promptly cancel the TEMS Certificates being exchanged, which will not be reissued. Mortgage-backed Securities delivered in such an exchange will not be exchangeable for TEMS Certificates.

Mortgage-backed Securities delivered in such an exchange will also be subject to any applicable disclosure requirements concerning pass-through certificates that have been issued in connection with the single family mortgage lending program of a governmental housing finance agency and financed by tax-exempt obligations.

Interest on such Mortgage-backed Securities is not excludable from gross income for federal income tax purposes. Owners of TEMS Certificates should consult their own tax advisors concerning that and other tax consequences of any exchange of a TEMS Certificate for the Related Mortgage-backed Security.

Limited Liability of Issuer. All pecuniary obligations of the Issuer incurred under the Indenture, including without limitation the obligation to pay the principal of, and interest on, the TEMS Certificates, and all pecuniary obligations and liabilities of the Issuer under the Indenture with respect to any of its representations, covenants, agreements and warranties under the Indenture or with respect to the TEMS Certificates, are limited obligations of the Issuer payable solely from the Revenues and moneys and securities held by the Trustee from time to time in accounts pledged to such TEMS Certificates under the General Indenture. The TEMS Certificates are not in any way a debt or liability or obligation of the State or of any political subdivision thereof and do not create or constitute any indebtedness, liability or obligation of the State or of any such political subdivision or constitute a pledge of the faith and credit of the State or any such political subdivision, but all TEMS Certificates are payable solely from Revenues or funds pledged or available for their payment as authorized in the Indenture and the Act. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the TEMS Certificates.

No recourse shall be had for any claim based upon any obligation, representation, warranty, covenant or agreement arising under the General Indenture or under any Series Indenture against any past, present or future director, officer, employee, or agent of the Issuer or the Trustee or any successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment of penalty or otherwise, and all such liability of any such director, officer, employee, or agent as such is expressly waived and released as a condition of and in consideration for the execution of the General Indenture and each Series Indenture.

MATURITY, PREPAYMENT AND YIELD CONSIDERATIONS

General. The prepayment experience of the Mortgage Loans underlying the Related Mortgage-backed Securities and the Related TEMS Certificates will affect the weighted average life of, and the yield realized by investors in, the Related TEMS Certificates. Borrowers may voluntarily prepay their Mortgage Loan in full or in part at any time without penalty. The rate of principal payments (including prepayments and payments in respect of liquidations of defaulted Mortgage Loans) on the Mortgage Loans will generally depend on a variety of economic, geographic, social and other factors, including prevailing market interest rates and general economic factors. The rate of prepayments on mortgage loans has fluctuated significantly in recent years. There is no assurance, however, that prepayment patterns for the Mortgage Loans will conform to patterns for more traditional types of fixed-rate mortgage loans. In general, if prevailing mortgage interest rates fall materially below the interest rates on the Mortgage Loans (giving consideration to the cost of refinancing), the rate of prepayment of the Mortgage Loans would be expected to increase. If mortgage interest rates rise materially above the interest rates on the Mortgage Loans, the rate of prepayment of the Mortgage Loans would be expected to decrease. There can be no assurance, however, that prepayments will occur in accordance with these patterns.

If the prepayment rate on the Mortgage Loans increases during a period of declining interest rates, investors may receive increased principal distributions at a time when those investors are unable to reinvest at interest rates as favorable as the interest rates of the Related TEMS Certificates. If the prepayment rate on the Mortgage Loans decreases during a period of rising interest rates, investors may receive declining principal distributions when those investors otherwise may have been able to reinvest at higher interest rates than the interest rates of the Related TEMS Certificates.

Prepayment rates may also affect the yield to investors on TEMS Certificates purchased at a premium or a discount. In general, higher prepayment rates will reduce the yield on TEMS Certificates purchased at a premium and increase the yield on TEMS Certificates purchased at a discount and lower prepayment rates will increase the yield on TEMS Certificates purchased at a premium and decrease the yield on TEMS Certificates purchased at a discount.

Payment Delay. Payments of interest on each Related Mortgage-backed Security will include interest accrued thereon through the last day of the month of the related monthly accrual period for the specified Related Mortgage-backed Security preceding the month in which such payment date occurs. The effective yield to the owners of the Related TEMS Certificates will be lower than the yield that would otherwise be produced by the related interest rate and purchase price because interest and principal will not be distributed on such Related Mortgage-backed Security until the payment date following the month in which such interest accrues and principal is due or otherwise paid, and interest and principal will not be distributed on the Related TEMS Certificates until the Business Day after the receipt by the Trustee of such interest and principal on such Related Mortgage-backed Security.

Weighted Average Life. The “weighted average life” of a security refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal of that security will be repaid to the investor. As a result, any projection of the weighted average life of and yield on any Series of TEMS Certificates must include an assumption about the anticipated timing and amount of payments on those TEMS Certificates, which will depend upon the rate of prepayments of the Related Mortgage Loans, including optional borrower prepayments and prepayments resulting from liquidation of defaulted Mortgage Loans. In general, prepayments of principal and defaults on the Related Mortgage Loans in greater amounts or more quickly than anticipated will result in a weighted average life of a Series of TEMS Certificates shorter than anticipated and prepayments of principal and defaults on the Related Mortgage Loans in lesser amounts or less quickly than anticipated will result in a weighted average life of a Series of TEMS Certificates longer than anticipated.

No assurance can be given as to the weighted average life of any Series. Further, to the extent the prices of the TEMS Certificates represent discounts or premiums to their respective aggregate principal amounts, variability in the weighted average lives of such Series could result in variability in the related yields to maturity.

SECURITY FOR AND SOURCES OF PAYMENT OF TEMS CERTIFICATES

Pledge. In order to secure the payment of the principal of and interest on the TEMS Certificates of each Series, the Issuer has pledged to the trust estate for such Series, subject to terms and provisions of the Indenture, the following:

- (i) 100% of the beneficial ownership interest in the Related Mortgage-backed Security;
- (ii) to the trust estate for such Series, an assignment of the Related Revenues (as herein defined) received by the Issuer under or in respect to the Related Mortgage-backed Security; and
- (iii) the moneys and securities from time to time held by the Trustee in the Related subaccounts under the terms of the Indenture.

This pledge is made for the equal and proportionate benefit, security and protection of all present and future owners of the TEMS Certificates of such Series. Each Series of TEMS Certificates from time to time issued under and secured by the Indenture is separately secured by a separate trust estate under the Indenture. An Event of Default under the Indenture with respect to one Series will not constitute an Event of Default with respect to any other Series. Each TEMS Certificate of a Series is secured without privilege, priority or distinction as to the lien or otherwise over any of the other TEMS Certificate of such Series.

THE MORTGAGE LOANS

Requirements for Mortgage Loans. Mortgage loans made or purchased by the Issuer in its Program and underlying the Mortgage-backed Securities (the “Mortgage Loans”) will consist of thirty-year, fixed-rate mortgage loans secured by Mortgages constituting first liens on single-family, owner-occupied housing and (i) for Related Mortgage-backed Securities that are GNMA Certificates, be insured or guaranteed under certain federal mortgage insurance or guarantee programs, (ii) for Related Mortgage-backed Securities that are Fannie Mae Certificates, satisfy the mortgage loan eligibility criteria of Fannie Mae or (iii) for Related Mortgage-backed Securities that are Freddie Mac Certificates, satisfy the mortgage loan purchase standards of Freddie Mac. Each Mortgage Loan will be secured by a Mortgage, subject only to certain permitted encumbrances. In order to comply with certain Idaho statutory requirements and the requirements of the Internal Revenue Code and regulations relating to the exclusion of interest on the TEMS Certificates from gross income for federal income tax purposes, the following requirements will apply to all Mortgage Loans:

(i) *Owner Occupancy.* Mortgage Loans may only be made to finance the acquisition of single family, owner-occupied residential housing by low income persons as provided in the Act. Although two to four unit residences are permitted by the Internal Revenue Code in some instances, the Issuer includes only one unit residences (including condominiums) in the Program.

(ii) *Income Limits.* Generally, the family income of the mortgagors for each Mortgage Loan may not exceed 115% of the median family income for the higher of the federal statistical area in which the residence is located or the statewide median income for Idaho, although in some instances the limit is up to 140% of such median income.

(iii) *“First Time Homebuyer” Requirement.* With certain limited exceptions, the mortgagors may not have had a present ownership interest in their principal residences at any time during the 3-year period ending on the date their mortgage is executed.

(iv) *Purchase Price Requirement.* With certain limited exceptions, the purchase price of the residence financed by a Mortgage Loan may not exceed 90% of the average purchase price for single family residences of the same type (previously occupied or not) in the federal statistical area in which the residence is located.

Purchase of Mortgage Loans From Originating Lenders. Each Mortgage Loan is purchased by the Issuer from an originating lender prior to pooling in a Mortgage-backed Security. The purchase transaction between the Lender and the Issuer is on a contractual basis and the terms of each such transaction will be as set forth in the Issuer’s mortgage lending documents as they may be amended from time to time.

Mortgage Purchase Agreement. The Mortgage Purchase Agreement is the primary agreement controlling the contractual relationship between the Issuer and each Lender. The Mortgage Purchase Agreement (i) describes the qualifications of an Eligible Lender; (ii) establishes that the Lender will sell Mortgage Loans to the Issuer and sell the servicing to the Issuer; (iii) sets forth the warranties of the Lender regarding compliance with the Issuer’s requirements for Mortgage Loans; and (iv) sets forth the remedies available upon the occurrence of various defaults of Lenders. The Mortgage Purchase Agreement also contains definitions of terms and phrases used in other mortgage lending documents and incorporates the Issuer’s Single Family Underwriting Guide into the Agreement.

Reservation, Delivery and Making or Purchase of Mortgage Loans. The Single Family Underwriting Guide references and incorporates a reservation procedure, which describes the steps a mortgage lender must take in order to receive a commitment for each Mortgage Loan. The reservation procedure requires a mortgage lender to have taken a loan application from a potential home buyer who has entered into a binding purchase contract with the seller of a residence. The lender must complete the loan lock reservation on line which can be updated during that day. The following business day the loan lock reservation will become a loan lock confirmation. The mortgage lender must then deliver the Mortgage Loan to the Issuer for purchase on or before the final mortgage delivery date. Following correction of any deficiencies in the Mortgage Loan, the Issuer will disburse funds to the mortgage lender for the making or purchase of any eligible Mortgage Loans delivered to the Issuer.

In order to satisfy the requirements of the Code, the Issuer will reserve certain amounts for the making or purchase of Mortgage Loans for residences located in Targeted Areas. Except as otherwise provided in the Indenture, such amount will be reserved until all of such amount is used by the Issuer to make or purchase Mortgage Loans on Targeted Area Residences or a date at least one year after the date on which amounts are first made available for the making or purchase of such Mortgage Loans. The amount so reserved may be amounts other than proceeds of the TEMS Certificates.

Subordinate Loan Program. The Issuer may provide to the mortgagors of a Mortgage Loan an additional subordinate mortgage loan from the Issuer’s own funds or other sources (each, a “Subordinate Loan”) in an amount of up to 3.5% of the Mortgage Loan. Subordinate Loans are not included in the Mortgage-backed Securities that relate to TEMS Certificates. A Subordinate Loan provides cash assistance from the Issuer for down payment, closing costs and the processing fee that a Lender may collect for originating and processing the Subordinate Loan. Each Subordinate Mortgage Loan is secured by a subordinate note and subordinate trust deed. All Subordinate Loans are due and payable upon default of the related senior Mortgage Loan, upon its payment in full or upon transfer of the residence. The interest rate of each Subordinate Loan is up to 2% greater than the interest rate on the related senior Mortgage Loan. The amortization period of each Subordinate Loan is equal to the amortization period on the related senior Mortgage Loan.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the TEMS Certificates are subject to the approval of Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP, Special Co-Counsel to the Issuer. Special Co-Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Disclosure Statement. The proposed form of opinion to be delivered by Special Co-Counsel on the date of delivery by the Issuer of each Series of TEMS Certificates is set forth in Appendix D.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP (“Special Co-Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the TEMS Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), and is exempt from Idaho personal income taxes. Special Co-Counsel is of the further opinion that interest on the TEMS Certificates is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes nor is such interest included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Special Co-Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the TEMS Certificates is less than the amount to be paid at maturity of such TEMS Certificates (excluding amounts stated to be interest and payable at least annually over the term of such TEMS Certificates), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the TEMS Certificates which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the TEMS Certificates is the first price at which a substantial amount of such maturity of the TEMS Certificates is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the TEMS Certificates accrues daily over the term to maturity of such TEMS Certificates on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such TEMS Certificates to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such TEMS Certificates. Beneficial Owners of the TEMS Certificates should consult their own tax advisors with respect to the tax consequences of ownership of TEMS Certificates with original issue discount, including the treatment of Beneficial Owners who do not purchase such TEMS Certificates in the original offering to the public at the first price at which a substantial amount of such TEMS Certificates is sold to the public.

TEMS Certificates purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the TEMS Certificates. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the TEMS Certificates will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the TEMS Certificates being included in gross income for federal income tax purposes, possibly from the date of original issuance of the TEMS Certificates. The opinion of Special Co-Counsel assumes the accuracy of these representations and compliance with these covenants. Special Co-Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Co-Counsel’s attention after the date of issuance of the TEMS Certificates may adversely affect the value of, or the tax status of interest on, the TEMS Certificates. Accordingly, the opinion of Special Co-Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Special Co-Counsel is of the opinion that interest on the TEMS Certificates is excluded from gross income for federal income tax purposes and is exempt from Idaho personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the TEMS Certificates may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Co-Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the TEMS Certificates to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the TEMS Certificates. Prospective purchasers of the TEMS Certificates should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Co-Counsel is expected to express no opinion.

The opinion of Special Co-Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Co-Counsel's judgment as to the proper treatment of the TEMS Certificates for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Co-Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Special Co-Counsel's engagement with respect to the TEMS Certificates ends with the issuance of the TEMS Certificates, and, unless separately engaged, Special Co-Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the TEMS Certificates in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the TEMS Certificates for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the TEMS Certificates, and may cause the Issuer or the Beneficial Owners to incur significant expense.

NO LITIGATION

There is no proceeding or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the TEMS Certificates, the origination of Mortgage Loans or the issuance of the Related Mortgage-backed Securities, or in any way contesting or affecting the validity of the TEMS Certificates or the Related Mortgage-backed Securities, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the pledge or application of any money or security provided for the payment of the TEMS Certificates, the existence or powers of the Issuer relating to the TEMS Certificates or the title of any officers of the Issuer to their respective positions.

PURCHASE OF TEMS CERTIFICATES BY STIFEL

The TEMS Certificates will be purchased from the Issuer by Stifel under the Forward Sale Agreement and the Transactions thereunder. The initial public offering prices stated in any supplement to this Disclosure Statement may be changed from time to time by Stifel. Stifel may offer and sell the TEMS Certificates to certain dealers (including dealers depositing such TEMS Certificates into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

CONTINUING DISCLOSURE

The Issuer will covenant for the benefit of the owners and beneficial owners of the TEMS Certificates of each Series to provide certain financial information and operating data relating to the TEMS Certificates of such Series for each fiscal year and to provide notices of the occurrence of certain enumerated events. A form of the Continuing Disclosure Certificate to be executed and delivered by the Issuer in connection with the delivery of each Series of TEMS Certificates, is attached hereto as Appendix F.

During the past five years, the Issuer has failed to make the following filings: Regarding IHFA TEMS 2015 Series A, 2015 Series B and 2015 Series C, IHFA audited financial statements and certain operating data for the fiscal year ended June 30, 2015, which were to be filed by December 31, 2015, were filed on January 12, 2016. Regarding Single Family Bonds -- Issuer audited financial statements were not filed for the fiscal year ended June 30, 2012, and certain specific financial and operating data (including certain information regarding principal amounts of bonds on a maturity by maturity basis), for the fiscal years ended June 30, 2012, 2013, and 2014 was not filed or was filed but was not associated with all related CUSIP numbers. Regarding Unemployment Compensation Bonds -- Idaho State audited financial statements were not filed for the fiscal years ended June 30, 2012 and 2013 and not timely filed for the fiscal year ended June 30, 2014; and required financial and operating data was not filed for the fiscal year ended June 30, 2012; and not timely filed for the fiscal years ended June 30, 2013 and 2014. Regarding Federal Highway Trust Fund Bonds issued by IHFA -- Idaho State audited financial statements and certain required financial and operating data were not filed or not timely filed for the fiscal years ended June 30, 2012, 2013, 2014 and 2015 (although Official Statements containing some of this information were filed for the fiscal years ended June 30, 2012, 2013, 2014 and 2015). The Issuer did not provide notice in a timely manner of this late annual financial information. The Issuer did not provide notice in a timely manner of late annual financial information. Additionally, during the past 5 years, Moody's changed the rating of certain Idaho Housing and Finance Association bond issues, and although a corresponding event notice was not always filed by the Issuer when these ratings changes occurred, all such notices have since been filed.

IHFA participated in the U.S. Securities and Exchange Commission's (the "Commission") Municipalities Continuing Disclosure Cooperation Initiative (MCDC Initiative). In connection with the MCDC Initiative, and in anticipation of the institution of cease-and-desist proceedings by the Commission, IHFA submitted to the Commission an Offer of Settlement (the "Offer") which the Commission determined to accept. In accordance with the Offer, IHFA (without admitting or denying any findings contained therein, except as to the Commission's jurisdiction over it and the subject matter of such proceedings) consented to the entry of a cease-and-desist order (the "Order") by the Commission finding, among other things, that, (i) in certain official statements for municipal securities, IHFA affirmatively misstated that it had materially complied with a prior agreement to provide continuing disclosure and also failed to disclose that it had not been in material compliance with a prior agreement to provide continuing disclosure and (ii) as a result of such conduct, IHFA violated Section 17(a)(2) of the Securities Act. In accordance with the Order, IHFA has undertaken to, among other things, establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations to effect compliance with the federal securities laws, and comply with its existing continuing disclosure undertakings, including updating past delinquent filings, as necessary.

ADDITIONAL INFORMATION

Any statements in this Disclosure Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Disclosure Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any of the TEMS Certificates.

This Disclosure Statement has been deemed final in accordance with United State Securities and Exchange Commission Rule 15c2-12. The execution and delivery of this Disclosure Statement by its President and Executive Director has been duly authorized by the Issuer.

IDAHO HOUSING AND FINANCE ASSOCIATION

By: /s/ Gerald M. Hunter
President and Executive Director

APPENDIX A

GNMA MORTGAGE-BACKED SECURITIES PROGRAM

This summary of the GNMA Mortgage Backed Securities Program, the GNMA Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage-Backed Securities Guide published by GNMA and to said documents for full and complete statements of their provisions. As of the date of this Disclosure Statement, such guide can be found at http://www.ginniemae.gov/issuers/program_guidelines/Pages/mbsguidelib.aspx. The following summary is of the GNMA I Program and the GNMA II Program.

Government National Mortgage Association (“GNMA”) is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development (“HUD”) with its principal office in Washington, D.C.

To issue GNMA Certificates, a Master Servicer must first apply to and receive from GNMA the Commitment to Guarantee Mortgage Backed Securities (the “MBS Agreement”). The MBS Agreement authorizes such Master Servicer to apply to GNMA for the issuance of Mortgage-Backed Securities eligible for guaranty by GNMA up to a stated date and issue GNMA Certificates up to a stated amount during a one-year period following the date of the MBS Agreement. Each MBS Agreement is valid for a 12-month period from the date of commitment.

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans. Each GNMA I Certificate will be a “mortgage loan pass-through certificate” which will require the Master Servicer to pass through to the paying and transfer agent for the GNMA I program by 7:00 a.m. Eastern Time on the fifteenth calendar day of each month (or if the fifteenth calendar day is not a business day, then the next business day), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer’s servicing fee), whether or not the Master Servicer receive such payments, plus any recoveries of principal of the Mortgage Loans received by the Master Servicer in the previous month. Each GNMA II Certificate will be a “mortgage loan pass-through certificate” which will require the Master Servicer to pass through to the Central Paying and Transfer Agent for the GNMA II program, by 7:00 a.m. Eastern Time on the twentieth calendar day of each month (or if the twentieth calendar day is not a business day, then the next business day), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer’s servicing fee), whether or not the Master Servicer received such payments, plus any recoveries of principal on the Mortgage Loans received by the Master Servicer. The Central Paying and Transfer Agent for the GNMA II program is then required to pass through to the Trustee on the twentieth day of each month (or if such day is not a business day, the next business day) the scheduled payments received from the Master Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the “Housing Act”), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool of mortgage loans insured or guaranteed under the National Housing Act, Title V of the Housing Act of 1949, the Servicemen's Readjustment Act of 1944, chapter 37 of Title 38, United States Code, or section 184 of the Housing and Community Development Act of 1992. Section 306(g) further provides that “the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.” An opinion, dated December 9, 1969, of an Assistant Attorney General of the United States, states that such guarantees under Section 306(g) of mortgage backed certificates of the type being delivered to the Trustee on behalf of the Issuer are authorized to be made by GNMA and “would constitute general obligations of the United States backed by its full faith and credit.”

GNMA, upon execution of the GNMA Guaranty appended to the GNMA Certificate, and upon delivery of the GNMA Certificate to the Master Servicer, will have guaranteed to the Trustee as holder of the GNMA Certificate the timely payment of principal of and interest on the GNMA Certificate. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the Housing Act, may issue its general obligations to the United States Treasury Department in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Certificate. The Treasury is authorized to purchase any obligation so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

GNMA is required to warrant to the Trustee as the holder of the GNMA Certificate, that, in the event it is called upon at any time to make payment on its guaranty of the principal of and interest on the GNMA Certificate, it will, if necessary, in accordance with Section 306(d) of Title III of the Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

The Master Servicer will be responsible for servicing and otherwise administering the Mortgage Loans in accordance with generally accepted practices of the mortgage banking industry and the GNMA Mortgage Backed Securities Guide (the “Guide”).

The monthly remuneration of the Master Servicer for its servicing and administrative functions, and the Guaranty Fee charged by GNMA are based on the total aggregate unpaid principal balance of Mortgage Loans outstanding. The Master Servicer’s servicing fee and the GNMA Guaranty Fee are deducted from payments on the Mortgage Loans before payments are passed through to the holder of the GNMA Certificates.

It is expected that interest and principal payments on the Mortgage Loans received by the Master Servicer will be the source of payments on the GNMA Certificates. If such payments are less than what is due, the Master Servicer is obligated to advance its own funds to ensure timely payment of all amounts coming due on the GNMA Certificates. GNMA guarantees such timely payment in the event of the failure of the Master Servicer to pay an amount equal to the scheduled payments (whether or not made on the Mortgage Loans).

The Master Servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA as guarantor will be able to continue such payments as scheduled on the third business day following the twentieth day of each month. If, however, such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

The GNMA Guaranty Agreement to be entered into by GNMA and the Master Servicer upon issuance of the GNMA Certificates (the “GNMA Guaranty Agreement”) will provide that, in the event of a default by the Master Servicer, GNMA will have the right, by letter to the Master Servicer, to effect and complete the extinguishment of the Master Servicer’s interest in the Mortgage Loans, and the Mortgage Loans are to thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Certificate. In such event, the GNMA Guaranty Agreement will provide that GNMA will be the successor in all respects to the Master Servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein. At any time, GNMA may enter into an agreement with an institution approved by GNMA under which such institution undertakes and agrees to assume any part or all of such duties, and no such agreement will detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor.

APPENDIX B

FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Selling and Servicing Guides published by Fannie Mae and to said documents for full and complete statements of their provisions. As of the date of this Disclosure Statement, such guides can be found at <https://www.fanniemae.com/singlefamily/originating-underwriting> and <https://www.fanniemae.com/singlefamily/servicing>.

Mortgage-Backed Securities Program

Federal National Mortgage Association (“Fannie Mae”) is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transformed into a stockholder-owned and privately managed corporation by legislation enacted in 1968.

On September 6, 2008, Director James Lockhart of the Federal Housing Finance Agency (“FHFA”) appointed FHFA as conservator of Fannie Mae. The Issuer cannot predict the consequences of the conservatorship or the impact it may have on its Program.

Fannie Mae provides funds to the mortgage market primarily by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

Although the Secretary of the Treasury of the United States has discretionary authority to purchase obligations of Fannie Mae, neither the United States nor any agency or instrumentality thereof is obligated to finance Fannie Mae’s obligations or assist Fannie Mae in any manner.

Fannie Mae has implemented a mortgage-backed securities program pursuant to which Fannie Mae issues securities backed by pools of mortgage loans (the “MBS Program”). The obligations of Fannie Mae, including its obligations under the Fannie Mae Certificates, are obligations solely of Fannie Mae and are not backed by, or entitled to, the full faith and credit of the United States.

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the “Fannie Mae Guides”), published by Fannie Mae, as modified by the Pool Purchase Contract (defined below), and, in the case of mortgage loans such as the Mortgage Loans exchanged with Fannie Mae, a Trust Indenture dated as of November 1, 1981, as amended (the “Trust Indenture”), and a supplement thereto to be issued by Fannie Mae in connection with each pool. The MBS Program is further described in a prospectus issued by Fannie Mae (the “Fannie Mae Prospectus”), which is updated from time to time.

Copies of the Fannie Mae Prospectus are available from Investor Relations, Fannie Mae, 3900 Wisconsin Avenue, NW, Washington, D.C. 20016 (telephone: (800) 237-8627). Information on Fannie Mae and its financial condition is contained in Fannie Mae’s most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the SEC. The SEC filings are available at the SEC’s website at www.sec.gov. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae’s website at www.fanniemae.com. The Issuer takes no responsibility for information contained on the websites.

The summary of the MBS Program set forth herein does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae Guides, the Fannie Mae Prospectus and the other documents referred to herein.

Pool Purchase Contract

It is expected that Fannie Mae and the Master Servicer will enter into a Pool Purchase Contract, pursuant to which the Master Servicer will be permitted to deliver, and Fannie Mae will agree to purchase Mortgage Loans in exchange for Fannie Mae Securities. The purpose of the Pool Purchase Contract is to provide for certain additions, deletions and changes to the Fannie Mae Guides relating to the purchase of Mortgage Loans. In the event of a conflict between the Pool Purchase Contract and the Fannie Mae Guides, the Pool Purchase Contract will control. The description set forth below assumes that the Pool Purchase Contract will be executed substantially in the form presented by Fannie Mae to the Master Servicer as of the date hereof.

Under the Pool Purchase Contract, Fannie Mae will purchase both Mortgage Loans eligible under the guidelines set forth in the Fannie Mae Guides and Mortgage Loans insured under the Community Home Buyer's Program which conform to the conditions set forth in the Pool Purchase Contract. The Pool Purchase Contract obligates the Master Servicer to service the Mortgage Loans in accordance with the requirements of the Fannie Mae Guides and the Pool Purchase Contract.

Pursuant to the requirements of the Fannie Mae Guides, as amended, the original principal balance of each mortgage loan to be sold to Fannie Mae may not exceed the amount established from time to time by Fannie Mae. The mortgage loans must be mortgage loans with loan-to-value ratios not in excess of 100%. Mortgage loans with loan-to-value ratios exceeding 80% must have the principal amount of the indebtedness in excess of 75% of the appraised value of the home insured by a policy of primary mortgage insurance (or an additional guaranty fee will be charged by Fannie Mae for loans with no mortgage insurance). The provider of the mortgage insurance must be acceptable to Fannie Mae.

Under the Pool Purchase Contract, the 100% loan-to-value limitation for mortgage loans will be based upon the lower of (1) the acquisition cost plus rehabilitation cost, if any, of a home, or (2) the appraised value of a home after completion of any rehabilitation. The maximum combined loan-to-value ratio is also 100% where subordinate financing is provided, so long as the mortgage loan does not exceed a 75% loan-to-value ratio. The Pool Purchase Contract also provides that, in underwriting mortgage loans for the Community Home Buyer's Program, certain exceptions will be made from the Fannie Mae Guides for down payment requirements and for determining whether a household's income satisfies the requirements for purchase by Fannie Mae.

Fannie Mae Certificates

Each Fannie Mae Certificate will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Master Servicer and identified in records maintained by Fannie Mae. The Pool Contract requires that each Fannie Mae Security be in a minimum amount of \$250,000 (or, in each case, such lesser amounts as may be approved by Fannie Mae). The mortgage loans backing each Fannie Mae Security are to bear interest at a rate higher than each Fannie Mae Security (the "pass through rate"). The difference between the interest rate on the mortgage loans and the pass through rate on the Fannie Mae Security is to be collected by the Master Servicer and used to pay the Master Servicer's servicing fee and Fannie Mae's guaranty fee.

Fannie Mae will guarantee to the registered holder of the Fannie Mae Certificates that it will distribute amounts representing scheduled principal and interest at the applicable "pass-through rate" on the Mortgage Loans in the pools represented by such Fannie Mae Certificates, whether or not received, and the full principal balance of any foreclosed or other finally liquidated Mortgage Loan, whether or not such principal balance is actually received. The obligations of Fannie Mae under such guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to the Trustee, as the holder of a Fannie Mae Certificate, would consist solely of payments and other recoveries on the underlying Mortgage Loans and, accordingly, monthly distributions to the Trustee, as the holder of such Fannie Mae Certificate and payments on the Series of TEMS Certificates, would be affected by delinquent payments and defaults on such Mortgage Loans.

Fannie Mae specifies the minimum and maximum spread between a pooled Mortgage Loan's interest rate and the pass through rate of the Fannie Mae Certificate. The minimum allowable spread for any pooled Mortgage Loan is the sum of the guaranty fee (after all applicable adjustments have been made, including buyups and buydowns) and the lender's minimum servicing fee, which must include renewal premiums for lender-purchased mortgage insurance, if applicable. The maximum allowable spread is 2% (200 basis points) over the minimum allowable spread.

Payments on a Fannie Mae Certificate will be made on the 25th day of each month (beginning with the month following the month such Fannie Mae Certificate is issued), or, if such 25th day is not a business day, on the first business day next succeeding such 25th day. With respect to each Fannie Mae Certificate, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loans in the related pool underlying such Fannie Mae Certificate during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of any Mortgage Loan that was prepaid in full during the month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election any Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase such Mortgage Loan under certain other circumstances as permitted by the Trust Indenture) (iii) the amount of any partial prepayment of a Mortgage Loan received in the month next preceding the month of distribution, and (iv) one month's interest at the pass-through rate on the principal balance of the Fannie Mae Certificate as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the Fannie Mae Certificate on its issue date).

For purposes of distribution, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan.

APPENDIX C

FREDDIE MAC MORTGAGE-BACKED SECURITIES PROGRAM

This summary of the Freddie Mac Guarantor Program, the Freddie Mac Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the Single Family Seller/Servicer Guide published by Freddie Mac and to said documents for full and complete statements of their provisions. As of the date of this Disclosure Statement, such guide can be found at <http://www.freddiemac.com/sell/guide/>.

General

The following summary of the Freddie Mac Guarantor Program, the Freddie Mac Certificates and Freddie Mac's mortgage purchase and servicing standards does not purport to be complete and is qualified in its entirety by reference to Freddie Mac's Mortgage Participation Certificates Offering Circular, any applicable Offering Circular Supplements, Freddie Mac's Information Statement, any Information Statement Supplements and any other documents made available by Freddie Mac. Copies of these documents can be obtained by writing or calling Freddie Mac's Investor Inquiry Department at 8200 Jones Branch Drive, McLean, Virginia 22102 (800-336-FMPC). The Issuer does not and will not participate in the preparation of Freddie Mac's Mortgage Participation Certificates Offering Circular, Information Statement or Supplements.

On September 6, 2008, Director James Lockhart of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac. The Issuer cannot predict the consequences of the conservatorship and the impact it may have on its Program.

Information on Freddie Mac and its financial condition is contained in Freddie Mac's most current annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K that are filed with the SEC. The SEC filings are available at the SEC's website at www.sec.gov. The periodic reports filed by Freddie Mac with the SEC are also available on Freddie Mac's website at www.freddiemac.com. The Issuer takes no responsibility for information contained on the websites.

Freddie Mac

The Federal Home Loan Mortgage Corporation ("Freddie Mac") is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

Freddie Mac Guarantor Program

Freddie Mac has established a mortgage purchase program pursuant to which Freddie Mac purchases a group of mortgages from a single seller in exchange for a Freddie Mac Certificate representing an undivided interest in a pool consisting of the same mortgages (the "Guarantor Program"). Freddie Mac approves the institutions that may sell and service mortgages under the Guarantor Program on an individual basis after consideration of factors such as financial condition, operational capability and mortgage origination and/or servicing experience. Most sellers and servicers are HUD-approved mortgagees or FDIC-insured financial institutions.

Freddie Mac Certificates

Freddie Mac Certificates will be mortgage pass-through securities issued and guaranteed by Freddie Mac under its Guarantor Program. Freddie Mac Certificates are issued only in book-entry form through the Federal Reserve Banks' book-entry system. Each Freddie Mac Certificate represents an undivided interest in a pool of mortgages. Payments by borrowers on the mortgages in the pool are passed through monthly by Freddie Mac to record holders of the Freddie Mac Certificates representing interests in that pool.

Payments on Freddie Mac Certificates begin on or about the fifteenth day of the first month following issuance. Each month, Freddie Mac passes through to record holders of Freddie Mac Certificates their proportionate share of principal payments on the mortgages in the related pool and one month's interest at the applicable pass-through rate. The pass-through rate for a Freddie Mac Certificate is determined by subtracting from the lowest interest rate on any of the mortgages in the pool the applicable servicing fee and Freddie Mac's management and guarantee fee, if any. The interest rates on the mortgages in a pool formed under Freddie Mac's Guarantor Program must fall within a range from the pass-through rate on the Freddie Mac Certificates plus the minimum servicing fee through the pass-through rate plus 250 basis points.

Freddie Mac guarantees to each record holder of a Freddie Mac Certificate the timely payment of interest at the applicable pass-through rate on the principal balance of the holder's Freddie Mac Certificate. Freddie Mac also guarantees to each holder of an Freddie Mac Certificate (i) the timely payment of the holder's proportionate share of monthly principal due on the related mortgages, as calculated by Freddie Mac, and (ii) the ultimate collection of the holder's proportionate share of all principal of the related mortgages, without offset or reduction, no later than the payment date that occurs in the month by which the last monthly payment on the Freddie Mac Certificate is scheduled to be made.

Freddie Mac may pay the amount due on account of its guarantee of ultimate collection of principal on a mortgage at any time after default, but not later than 30 days following (i) the foreclosure sale of the mortgaged property, (ii) if applicable, the payment of an insurance or guaranty claim by the mortgage insurer or guarantor or (iii) the expiration of any right of redemption that the borrower may have, whichever is the last to occur. In no event, however, will Freddie Mac make payments on account of this guarantee later than one year after an outstanding demand has been made on the borrower for accelerated payment of principal or for payment of the principal due at maturity.

The obligations of Freddie Mac under its guarantees of the Freddie Mac Certificates are obligations of Freddie Mac only. The Freddie Mac Certificates, including the interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were unable to satisfy its obligations under its guarantees, distributions on the Freddie Mac Certificates would consist solely of payment and other recoveries on the related mortgage; accordingly, delinquencies and defaults on the mortgages would affect distributions on the Freddie Mac Certificates and could adversely affect payments on a Series of TEMS Certificates.

Mortgage Purchase and Servicing Standards

All mortgages purchased by Freddie Mac must meet certain standards established by the Freddie Mac Act. In addition, Freddie Mac has established its own set of mortgage purchase standards, including credit, appraisal and underwriting guidelines. These guidelines are designed to determine the value of the real property securing a mortgage and the creditworthiness of the borrower. Freddie Mac's administration of its guidelines may vary based on its evaluation of and experience with the seller of the mortgages, the loan-to value ratio and age of the mortgages, the type of property securing the mortgages and other factors.

Freddie Mac has also established servicing policies and procedures to support the efficient and uniform servicing of the mortgages it purchases. Each servicer must perform diligently all services and duties customary to the servicing of mortgages in a manner consistent with prudent servicing standards. The duties performed by a servicer include collection and remittance of principal and interest to Freddie Mac; administration of escrow accounts; collection of insurance of guaranty claims; property inspections; and, if necessary, foreclosure. Freddie Mac monitors servicers' performance through periodic and special reports and inspections.

In the event of an existing or impending delinquency or other default on a mortgage, Freddie Mac may attempt to resolve the default through a variety of measures. In determining which measures to pursue with respect to a given mortgage and when to initiate such measures, Freddie Mac seeks to minimize the costs that may be incurred in servicing the mortgage, as well as Freddie Mac's possible exposure under its guarantees. However, the measures that Freddie Mac may choose to pursue to resolve a default will not affect Freddie Mac's guarantees. In any event, Freddie Mac generally repurchases from a pool any mortgage that has remained delinquent for at least 120 consecutive days and makes payment of principal to record holders pursuant to Freddie Mac's guarantee of ultimate collection of principal.

APPENDIX D

PROPOSED FORM OF OPINION OF SPECIAL CO-COUNSEL

Upon the issuance of the each Series of TEMS Certificates, Orrick, Herrington & Sutcliffe LLP and Skinner Fawcett LLP, Special Co-Counsel for the TEMS Certificates issued by the Issuer, proposes to issue an opinion in substantially the following form:

ORRICK, HERRINGTON & SUTCLIFFE LLP

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SKINNER FAWCETT LLP

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Boise, Idaho 83701

[Date]

Idaho Housing and Finance Association
Boise, Idaho

Idaho Housing and Finance Association
Tax-Exempt Mortgage-backed Securities

20 Series
Final Opinion

Ladies and Gentlemen:

We have acted as special counsel to the Idaho Housing and Finance Association (the "Issuer") in connection with the issuance of \$_____ aggregate principal amount of Idaho Housing and Finance Association Tax-Exempt Mortgage-backed Securities, 20__ Series _ (the "Certificates"), issued pursuant to a General Indenture of Trust, dated as of October 1, 2015, between the Issuer and Zions Bank, a division of ZB, National Association, as trustee (the "Trustee"), and a Series Indenture, dated as of the _____ 1, 20__, between the Issuer and the Trustee (collectively, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Issuer dated the date hereof (the "Tax Certificate"), certificates of the Issuer, the Trustee and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Certificates to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Certificates, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization,

arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State of Idaho. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Disclosure Statement or other offering material relating to the Certificates and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Issuer is a public body, corporate and politic, duly organized and validly existing under the laws of the State of Idaho.

2. The Indenture has been duly executed and delivered by, and is a valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Certificates, of the Related Revenues and any other amounts held by the Trustee in any Related fund or account established pursuant to the Indenture, and of the rights and interests of the Issuer in and to the Related [GNMA Certificates] [Fannie Mae Certificates] [Freddie Mac Certificates], subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. Interest on the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and interest on the Certificates is exempt from State of Idaho personal income taxes. Interest on the Certificates is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Certificates.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

SKINNER FAWCETT LLP

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Definitions of Certain Terms.

“Act” shall mean the Idaho Housing and Finance Association Act, being Title 67, Chapter 62, Idaho Code, as amended.

“Authorized Officer” shall mean the President (which office includes the office of Executive Director) or the Chief Financial Officer of the Issuer, or any person designated, in writing, by the President or the Chief Financial Officer as an Authorized Officer.

“Business Day” shall mean any day (a) on which banks in the State of New York or in the cities in which the applicable corporate trust offices of the Trustee are located are not required or authorized by law to be closed and (b) on which the New York Stock Exchange is open.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Fannie Mae” shall mean the Federal National Mortgage Association, a body corporate created and existing under the laws of the United States of America (12 U.S.C. § 1717(a)), and any successor thereto.

“Fannie Mae Certificate” shall mean a single pool, guaranteed mortgage pass-through Fannie Mae mortgage backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by Conventional Mortgage Loans in the related mortgage Pool, all of which loans provide for monthly payments of principal and interest in substantially equal installments for the contractual term of such loans and fully amortize over the original term to maturity.

“Freddie Mac” shall mean the Federal Home Loan Mortgage Corporation, a body corporate created and existing under the laws of the United States of America, (in particular title III of the Emergency Home Finance Act of 1970, as amended) and any successor thereto.

“Freddie Mac Certificate” shall mean a single pool, guaranteed mortgage pass through Freddie Mac mortgage backed security issued by Freddie Mac in book entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Freddie Mac, and backed by Conventional Mortgage Loans in the related mortgage Pool, all of which loans provide for monthly payments of principal and interest in substantially equal installments for the contractual term of such loans and fully amortize over the original term to maturity.

“FHA” shall mean the Federal Housing Administration within the Department of Housing and Urban Development.

“GNMA” shall mean the Government National Mortgage Association, also known as Ginnie Mae, a wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act, as amended (12 U.S.C. § 1716, et seq.).

“GNMA Certificate” shall mean a certificate purchased by the Trustee, issued by the applicable Servicer and guaranteed by GNMA pursuant to GNMA’s GNMA I or GNMA II mortgage-backed securities program under Section 306(g) and other related provisions of the National Housing Act of 1934, as amended, and based upon and backed by Mortgage Loans referred to in the GNMA Certificate, which certificate shall unconditionally obligate the applicable Servicer to remit monthly to the holder thereof (or, in the case of GNMA II Certificates, to GNMA’s fiscal agent for delivery to the holder) its pro rata share of (x) principal payments and prepayments made in respect of the Pool of Mortgage Loans represented by the GNMA Certificate and (y) interest received in an amount equal to the pass-through rate. GNMA shall guarantee to the holder of each GNMA Certificate such holder’s pro rata share of (i) the timely payment of interest at the applicable pass-through rate on the unpaid principal balance of the Mortgage Loans represented by the GNMA Certificate and (ii) the timely payment of principal in accordance with the terms of the principal amortization schedule applicable to the

Mortgage Loans represented by such GNMA Certificate. If GNMA so requires pursuant to its book-entry system, in lieu of the aforesaid certificate, the confirmation of GNMA's guaranty obligation shall be transmitted to the Trustee or its designee electronically.

"Interest Rate" shall be the rate of interest set forth in the Related Series Indenture, which shall be the rate set forth in the Supplement to this Disclosure Statement for the applicable Series.

"Mortgage" shall mean the instrument securing a Mortgage Loan.

"Mortgage Loan" shall mean, with respect to an interest bearing loan for single family residential housing relating to a Series of TEMS Certificates, the Mortgage Note evidencing such loan and the Mortgage securing such loan.

"Mortgage Note" shall mean the instrument evidencing obligation to repay an interest-bearing loan for single family residential housing relating to a Series of TEMS Certificates.

"Outstanding" or "outstanding" shall mean, when used with respect to TEMS Certificates of a Series as of any date, all TEMS Certificates of such Series theretofore authenticated and delivered under the General Indenture except: (a) any TEMS Certificate cancelled or delivered to the Trustee for cancellation on or before such date; (b) any TEMS Certificate of such Series in lieu of or in exchange for which another TEMS Certificate shall have been authenticated and delivered pursuant to the Indenture; and (c) any TEMS Certificate or portion of the principal thereof paid as provided in the Indenture.

"Participants" shall mean those broker-dealers, banks and other financial institutions for which DTC holds certificates as securities depository.

"Related" or "related" (whether capitalized or not) shall mean, with respect to any particular TEMS Certificate, Series, Series Indenture, Supplemental Indenture, Account or subaccount, Mortgage Loan, Mortgage-backed Security, or Revenues, having been created in connection with the issuance of, or having been derived from the proceeds of, or having been reallocated to, or concerning, the same Series, as the case may be.

"Revenues" shall mean all amounts received by the Issuer in connection with a Mortgage-backed Security, including any premium or penalty with respect thereto, on account of the advance payment of amounts to become due thereunder, or the acceleration of payments due thereunder or other remedial proceedings taken in the event of a default thereof.

"Series" shall mean and refer to all TEMS Certificates designated as such in the Related Series Indenture, and any TEMS Certificate thereafter delivered in lieu of or substitution for any of such TEMS Certificates pursuant to the General Indenture and the Related Series Indenture.

"Series Indenture" shall mean a Supplemental Indenture authorizing the issuance of a Series of TEMS Certificates under the General Indenture.

"Servicer" shall mean the Issuer or any person, corporation, mortgage company, bank, trust company, association or agency who shall service any Mortgage Loan for and on behalf of GNMA.

"TEMS Certificate Accrual Period/Basis"--interest shall accrue on the TEMS Certificates of a Series on a calendar month basis, based on the unpaid principal balance of the Mortgage Loans represented by the Related Mortgage-backed Securities during such calendar month, calculated on a 30/360 basis with payment delayed to the Business Day following receipt by the Trustee of the Related Mortgage-backed Security interest payment.

"TEMS Certificate Record Date" shall mean the last day of the month immediately preceding the month of the respective payment date.

"VA" shall mean the U.S. Department of Veterans Affairs.

Special Limited Obligation of TEMS Certificates. All pecuniary obligations of the Issuer incurred under the Indenture, including without limitation the obligation to pay the principal of, and interest on, the TEMS Certificates, and all pecuniary obligations and liabilities of the Issuer under the Indenture with respect to any of its representations, covenants, agreements and warranties under the Indenture or with respect to the TEMS Certificates, shall be limited obligations of the Issuer payable solely from the Revenues and moneys and securities held by the Trustee from time to time under the

Indenture. The TEMS Certificates shall not be in any way a debt or liability or obligation of the State or of any political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the State or of any such political subdivision or be or constitute a pledge of the faith and credit of the State or any such political subdivision, but all TEMS Certificates shall be payable solely from Revenues or funds pledged or available for their payment as authorized in the Indenture and the Act. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the TEMS Certificates.

Establishment of Accounts. The Issuer establishes and creates the following trust accounts under the General Indenture: (a) TEMS Certificate Proceeds Account; (b) Revenue Account, including therein an Interest Account and a Principal Account; and (c) Transaction Costs Account. A separate subaccount in each of the above described Accounts shall be created for each Series of TEMS Certificates and moneys Related to each Series of TEMS Certificates shall be deposited into the Related subaccounts.

TEMS Certificate Proceeds Account. Upon receipt, the proceeds of sale of each Series of TEMS Certificates shall be deposited in the Related subaccount of the TEMS Certificate Proceeds Account and shall be immediately expended to finance the purchase price of the Related Mortgage-backed Security identified in the Related Series Indenture. Any amount remaining in a subaccount of the TEMS Certificate Proceeds Account after payment of the Purchase Price of the Related Mortgage-backed Security shall be transferred to the Issuer.

Revenue Account. (a) If the Trustee does not receive a payment on a GNMA Certificate which is a GNMA I security by 5:00 p.m. Eastern Time on the 15th day of any month, a payment on a GNMA Certificate which is a GNMA II security by 5:00 p.m. Eastern Time on the 20th day of any month, a payment on a Fannie Mae Certificate by 5:00 p.m. Eastern Time on the 25th day of any month, or a payment on a Freddie Mac Certificate by 5:00 p.m. Eastern Time on the 15th day of any month (or, in each case, the next succeeding Business Day if such day of the month is not a Business Day), the Trustee shall immediately notify GNMA, Fannie Mae, or Freddie Mac, as applicable, and immediately demand payment under the terms of the guaranty thereof.

(b) There shall be deposited into each subaccount of the Principal Account of the Revenue Fund, as and when received, all moneys received by the Trustee representing principal payments or repayments under the Related Mortgage-backed Security, to be held therein pending distribution in accordance with the terms of the Indenture.

(c) On the first Business Day following receipt of principal payments or repayments under a Mortgage-backed Security, the Trustee shall pay to the Related TEMS Certificate owners the amount so received as a payment of principal on the Related Series of TEMS Certificates. All payments of principal shall be paid to TEMS Certificate owners in proportion to the principal amount of each Series of TEMS Certificates owned by each TEMS Certificate owner as set forth on the records of the Trustee at the close of business on the applicable TEMS Certificate Record Date.

(d) There shall be deposited into each subaccount of the Interest Account of the Revenue Fund, as and when received, all moneys received by the Trustee representing interest payments under the Related Mortgage-backed Security, to be held therein pending distribution in accordance with the terms of the Indenture.

(e) On the first Business Day following receipt of a payment representing interest under a Mortgage-backed Security, the Trustee shall pay to the Related TEMS Certificate owners the amount so received as a payment of interest on the Related Series of TEMS Certificates. All payments of interest shall be paid to TEMS Certificate owners in proportion to the principal amount of each Series of TEMS Certificates owned by each TEMS Certificate owner as set forth on the records of the Trustee at the close of business on the applicable TEMS Certificate Record Date.

Transaction Costs Account. The Issuer shall cause to be delivered (from funds made available by the Issuer) to the Trustee for deposit in the Transaction Costs Account, amounts to pay costs incurred in connection with the issuance of TEMS Certificates. The Trustee shall use such funds to pay the costs of the Transaction as soon as practicable in accordance with written instructions to be given to the Trustee by the Issuer. Any unexpended amounts remaining on deposit in the Transaction Costs Account two (2) months after delivery of a Series of TEMS Certificates shall be transferred to the Issuer.

Investment of Certain Funds. Amounts on deposit in the TEMS Certificate Proceeds Account and the Revenue Account shall not be invested. Amounts on deposit in the Transaction Costs Account shall be invested as provided in written instructions given to the Trustee by the Issuer.

Supplemental Indentures Effective Upon Filing With the Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture of the Issuer may be executed and delivered which, upon the due execution by and filing with the Trustee, shall be fully effective in accordance with its terms: (a) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Indenture, of the Revenues or of any other revenues or assets; (b) to provide for the issuance of one or more Series of TEMS Certificates pursuant to the Indenture and to provide for the terms and conditions pursuant to which such TEMS Certificates may be issued or paid, and, notwithstanding any other provision of the Indenture to the contrary, may vary the provisions of the Indenture in any manner with respect to the Series of TEMS Certificates authorized thereby so long as the outstanding TEMS Certificates of all other Series of TEMS Certificates are not materially adversely affected thereby except as otherwise provided under the following heading “—Supplemental Indentures Effective With Consent of TEMS Certificate Owners”; or (c) to make any other amendment or change that will not materially adversely affect the interest of the owners of the TEMS Certificates.

Supplemental Indentures Effective With Consent of TEMS Certificate Owners. At any time or from time to time, a Supplemental Indenture with respect to one or more Series of TEMS Certificates may be entered into subject to written consent by all TEMS Certificate owners of such Series in accordance with and subject to the provisions of the General Indenture. Any such Supplemental Indenture shall become fully effective in accordance with its terms upon the due execution by and filing with the Trustee of a copy thereof certified by an Authorized Officer and upon compliance with the provisions of the General Indenture.

Events of Default. Each of the following events is declared an “Event of Default”:

- (a) the Issuer shall fail to pay the principal of any TEMS Certificate when and as the same shall become due, whether at maturity or otherwise; or
- (b) payment of any installment of interest on any of the TEMS Certificates shall not be made when and as the same shall become due; or
- (c) the Issuer shall fail or refuse to comply with the other provisions of the Indenture or the TEMS Certificates, or shall default in the performance or observance of any of the other covenants, agreements or conditions on its part contained in the Indenture or in any Supplemental Indenture or the TEMS Certificates, and such failure, refusal or default shall continue for a period of forty-five days after written notice thereof to the Issuer by the Trustee.

An Event of Default relating to one Series of TEMS Certificates shall not constitute an Event of Default for any other Series of TEMS Certificates.

Remedies. (a) Upon the happening and continuance of any Event of Default, the Trustee, upon the written request of the registered owners of not less than a majority in principal amount of the outstanding TEMS Certificates of the Related Series, shall proceed, in its own name, subject to the provisions of the Indenture, to protect and enforce the rights of the owners of such TEMS Certificates by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights: (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of such Series of TEMS Certificates under the Indenture; (ii) by bringing suit to collect unpaid principal or interest on the Related Series of TEMS Certificates; (iii) by action or suit in equity, to require the Issuer to account as if it were the trustee of an express trust for the owners of the Related Series of TEMS Certificates; or (iv) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Related Series of TEMS Certificates.

(b) In the enforcement of any rights and remedies under the Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due and unpaid from the Issuer for principal, interest or otherwise, under any provisions of the Indenture or a Supplemental Indenture or of the TEMS Certificates, together with any and all costs and expenses of collection including but not limited to attorney's fees of the Trustee and of all proceedings thereunder and under such TEMS Certificates, without prejudice to any other right or remedy of the Trustee or of the TEMS Certificate owners, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs, attorney's fees and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

(c) Upon the occurrence of any Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the TEMS Certificate owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers for the Issuer and any and all of its revenues, issues, income and profits, pending such proceedings, with such powers as the court making such appointment shall confer, but only, in each case, with the consent of the owners of not less than a majority of the Outstanding principal amount of the affected Series of TEMS Certificates.

(d) Without limiting the general applicability of clauses (i) through (iv) of the preceding subsection (a), if, at any time an Event of Default occurs, the Trustee shall forthwith proceed, in its own name to take all such actions as it, being advised by counsel, shall deem most expedient, effectual, and advisable to secure such compliance, but only, in each case, with the consent of the owners of not less than a majority of the Outstanding principal amount of the affected Series of TEMS Certificates.

TEMS Certificate Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the owners of the majority in principal amount of the TEMS Certificates of the affected Series then outstanding, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law or the provisions of the Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to owners of such TEMS Certificates not parties to such direction. Whenever an Event of Default shall have occurred and be continuing with respect to a Series of TEMS Certificates, the owners of 100% of the Outstanding principal amount thereof shall have the right to initiate any proceeding, judicial or otherwise to enforce the Indenture notwithstanding anything to the contrary contained in the General Indenture.

Notice of Event of Default. The Trustee shall give to the owners of TEMS Certificates of the Related Series notice of each Event of Default under the Indenture known to the Trustee as soon as it obtains knowledge of the occurrence thereof. Each such notice shall be given by the Trustee by mailing written notice thereof to all registered owners of TEMS Certificates of the Related Series, as the names and addresses of such owners appear upon the records for registration and transfer of TEMS Certificates as kept by the Trustee.

Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than sixty days' written notice to the Issuer and the owners of TEMS Certificates, specifying the date when such resignation shall take effect and such resignation shall only take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in the Indenture, in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, may such resignation take effect until a successor Trustee shall have been appointed pursuant to the Indenture.

Removal of Trustee. The Trustee shall be removed by the Issuer (i) upon the receipt of a written request of the owners of a majority in principal amount of the TEMS Certificates then Outstanding or (ii) if at any time the Trustee shall cease to satisfy the eligibility requirements of a successor Trustee set forth in the Indenture. The Issuer may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Issuer, or for no cause whatsoever, by filing with the Trustee an instrument signed by an Authorized Officer.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Idaho Housing and Finance Association (“HFA”) in connection with the issuance of its Tax-Exempt Mortgage-backed Securities, 20__ Series __ (the “TEMS Certificates”). The TEMS Certificates are being issued and delivered pursuant to a General Indenture of Trust (the “General Indenture”) dated as of October 1, 2015 and pursuant to a 20__ Series __ Indenture (the “Series Indenture” and together with the General Indenture, the “Indenture”) dated as of _____ 1, 20__, each between Idaho Housing and Finance Association (the “Issuer”) and Zions Bank, a division of ZB, National Association (the “Trustee”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture.

The Issuer covenants and agrees as follows:

1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the TEMS Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Disclosure Report” shall mean any Annual Disclosure Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or dispose of ownership of, any TEMS Certificates (including persons holding TEMS Certificates through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

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

“Participating Underwriter” shall mean any of the original underwriters of the TEMS Certificates required to comply with the Rule in connection with offering of the TEMS Certificates.

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

“SEC” shall mean the Securities and Exchange Commission and any other successor agency thereto.

3. Provision of Annual Disclosure Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than six months after the end of the Issuer’s fiscal year, commencing with a report for the fiscal year ending June 30, 20__, provide to the MSRB an Annual Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Disclosure Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from

the balance of the Annual Disclosure Report and later than the date required above for the filing of the Annual Disclosure Report if they are not available by that date. However, if audited financial statements of the Issuer are not available by the date required above for filing, the Issuer shall include with the report unaudited financial statements and file audited financial statements when available. If the Issuer's fiscal year changes, it shall give notice of such change in a filing with the MSRB.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Disclosure Report to the MSRB, the Issuer shall provide the Annual Disclosure Report to the Dissemination Agent (if the Issuer is not the Dissemination Agent). If the Issuer is unable to provide to the MSRB an Annual Disclosure Report by the date required in subsection (a), the Issuer shall in a timely manner, send, or cause to be sent, a notice in electronic format unless otherwise designated by the SEC to the MSRB, in substantially the form attached as Exhibit A.

(c) If the Dissemination Agent is other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Disclosure Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

4. Content of Annual Disclosure Reports. The Issuer's Annual Disclosure Report shall contain or include by reference the following:

(a) The audited financial statements for the Issuer for the most recently ended fiscal year, currently prepared in accordance with generally accepted accounting principles.

(b) Tables setting forth the following information, as of the end of such fiscal year:

(i) The original aggregate principal amount of TEMS Certificates and the aggregate principal amount of TEMS Certificates remaining Outstanding and

(ii) With respect to the Mortgage-backed Security relating to the TEMS Certificates, the Mortgage-backed Security pool number, the Mortgage-backed Security CUSIP number, the original principal amount and the principal amount outstanding of the Mortgage-backed Security.

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

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the TEMS Certificates in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed Event:

(i) principal and interest payment delinquencies with respect to the TEMS Certificates,

(ii) non-payment related defaults with respect to the TEMS Certificates, if material,

(iii) unscheduled draws on any debt service reserve reflecting financial difficulties,

(iv) unscheduled draws on any credit enhancement reflecting financial difficulties,

(v) substitution of any credit or liquidity providers, or their failure to perform,

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the TEMS Certificates or other material events affecting the tax status of the TEMS Certificates,

- (vii) modifications to rights of holders of the TEMS Certificates, if material,
- (viii) (1) bond calls, if material, and (2) tender offers,
- (ix) defeasances,
- (x) release, substitution, or sale of property securing repayment of the TEMS Certificates, if material,
- (xi) rating changes,
- (xii) bankruptcy, insolvency, receivership or similar event of the Issuer,
- (xiii) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into or termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, and
- (xiv) appointment of a successor or additional trustee or the change in the name of the trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws; provided, however, that any listed event under subsections (a)(i), (iii), (iv), (v), (vi), (viii)(2), (ix), (xi) and (xii) will always be deemed to be material.

(c) When the occurrence of a Listed Event is determined or deemed to be material pursuant to subsection (b) above, the Issuer shall, in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, the Issuer may cause the Trustee to give the notice of Listed Events described in subsections (a)(viii) and (ix), and such notice need not be given under this subsection any earlier than the notice (if any) of the underlying event given to holders of affected TEMS Certificates pursuant to the Indenture.

6. Electronic Filing; Termination of Reporting Obligation. Unless otherwise designated by the MSRB and the SEC, any filing or reporting obligation to the MSRB hereunder shall be made solely by transmitting such filing or report to the MSRB pursuant to its Electronic Municipal Market Access (EMMA) system as provided at <http://emma.msrb.org/>. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the TEMS Certificates. If such termination occurs prior to the final maturity of the TEMS Certificates, the Issuer shall give notice of such termination in a filing with the MSRB.

7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If the Issuer is not the Dissemination Agent, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law,

or change in the identity, nature or status of an obligated person with respect to the TEMS Certificates, or the type of business conducted;

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

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

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

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

10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding TEMS Certificates, shall), or any holder or Beneficial Owner of the TEMS Certificates may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the TEMS Certificates.

12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the TEMS Certificates, and shall create no rights in any other person or entity.

DATED: _____, 20__

EXHIBIT A TO CONTINUING DISCLOSURE CERTIFICATE

NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT

Name of Issuer: Idaho Housing and Finance Association (the "Issuer")
Name of Issue: Tax-Exempt Mortgage-backed Securities, 20__ Series __
Date of Initial Delivery: _____,

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Disclosure Report with respect to the above-named TEMS Certificates as required by Section 6.1 of the 20__ Series __ Indenture dated as of _____ 1, 20__, between the Issuer and Zions Bank, a division of ZB, National Association, as trustee. [The Issuer anticipates that the Annual Disclosure Report will be filed by _____.]

DATED: _____

Idaho Housing and Finance Association

By: _____
Name _____
Title _____

APPENDIX G

BOOK-ENTRY SYSTEM

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

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

Purchases of TEMS Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the TEMS Certificates on DTC’s records. The ownership interest of each actual purchaser of each TEMS Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the Transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the Transaction. Transfers of ownership interests in the certificates are to be accomplished by entries made on the records of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in certificates, except in the event that use of the book-entry system for the certificates is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the TEMS Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

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

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

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

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

APPENDIX H

FORM OF NOTICE OF REQUEST TO EXCHANGE TEMS CERTIFICATES
FOR RELATED MORTGAGE-BACKED SECURITIES

NOTICE OF REQUEST TO EXCHANGE

Idaho Housing and Finance Association
Tax-Exempt Mortgage-backed Securities
20__ Series _____
(TEMS)

The undersigned Beneficial Owner of Idaho Housing and Finance Association Tax-Exempt Mortgage-backed Securities, 20__ Series __ (“TEMS Certificates”), hereby requests Zions Bank, a division of ZB, National Association (the “Trustee”) to exchange TEMS Certificates in a face equal to \$_____ for a like face amount of the Related Mortgage-backed Security. The undersigned has arranged with its securities dealer (and/or DTC participant) to deliver such TEMS Certificates to the Trustee (via DTC withdrawal or DWAC) on or before the business day next succeeding the date hereof (such business day being the “Exchange Date”). Once the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to deliver free the above referenced face amount of the Related Mortgage-backed Security using the automated book-entry system maintained by the Federal Reserve Banks acting as depositories for [Ginnie Mae] [Fannie Mae] [Freddie Mac] in accordance with the Beneficial Owner’s fed delivery instructions. The undersigned Beneficial Owner shall pay the Trustee’s exchange fee in the amount of \$1,000 by wire transfer on the Exchange Date. If the Exchange Date is subsequent to a TEMS Certificate Record Date and prior to a corresponding certificate payment date for the TEMS Certificates, the Trustee shall wire the applicable principal and interest payments on the TEMS Certificates to the undersigned Beneficial Owner using the wire instructions set forth below.

Dated: _____

Signature: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Beneficial Owner’s fed delivery instructions:

Beneficial Owner’s wire instructions:

Trustee’s wire instructions:

Zions Bank, a division of ZB, National Association
ABA:
Account:
Account Name:
Attention: