

**Enterprise Community Partners, Inc.  
and its Subsidiaries and Affiliates**

**Consolidated Financial Statements  
and Independent Auditor's Report**

**December 31, 2025 and 2024**

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# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Index

	<u>Page</u>
Independent Auditor's Report	2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Changes in Net Assets	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	11
Supplementary Information	
Consolidating Statements of Financial Position	67
Consolidating Statements of Activities	69
Consolidating Statements of Functional Expenses	71
Consolidating Statements of Cash Flows	73

Independent Auditor's Report

To the Board of Trustees  
Enterprise Community Partners, Inc.

Report on the Audit of the Consolidated Financial Statements

*Opinion*

We have audited the consolidated financial statements of Enterprise Community Partners, Inc. ("Partners") and its Subsidiaries and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates as of December 31, 2025 and 2024, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Supplementary Information

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

*CohnReznick LLP*

Bethesda, Maryland  
April 28, 2026

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Financial Position  
December 31, 2025 and 2024  
(\$ in thousands)**

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 315,997	\$ 315,043
Restricted cash and cash equivalents	840,591	202,429
Contributions receivable, net	22,423	32,761
Accounts and other receivables, net	194,681	206,274
Mortgage loans held for sale	408,448	290,484
Derivative assets	82,759	159,405
Investments in unconsolidated partnerships	323,880	145,864
Prepaid expenses and other assets, net	21,178	25,409
Loans and notes receivable, net of allowance for credit losses of \$36,712 and \$32,952, respectively	507,139	489,388
Investments	2,197	2,148
Restricted investments	41,532	36,811
Mortgage servicing rights, net	209,463	199,050
Property and equipment, net	295,158	287,878
Lease right-of-use assets	33,423	38,691
Intangible assets, net	11,710	13,156
Goodwill, net	25,371	28,190
	<hr/>	<hr/>
Total assets	<u>\$ 3,335,950</u>	<u>\$ 2,472,981</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Accounts payable and accrued expenses	\$ 94,900	\$ 88,355
Grants payable	20,294	21,988
Funds held for others	17,984	22,877
Derivative liabilities	70,170	145,846
Indebtedness	1,220,261	1,077,602
Capital contributions payable	256,594	94,178
Deferred tax liabilities, net	22,693	22,386
Deferred revenue	19,110	14,825
Losses in excess of investments in unconsolidated partnerships	2,111	1,414
Allowance for loan loss sharing	58,836	48,965
Lease liabilities	39,275	45,065
Deferred grant income	621,804	2,064
Other liabilities	4,523	5,855
	<hr/>	<hr/>
Total liabilities	<u>2,448,555</u>	<u>1,591,420</u>
Commitments and contingencies		
Net assets		
Net assets without donor restrictions	590,314	574,866
Net assets without donor restrictions - noncontrolling interest	165,085	157,308
Net assets with donor restrictions	131,996	149,387
	<hr/>	<hr/>
Total net assets	<u>887,395</u>	<u>881,561</u>
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 3,335,950</u>	<u>\$ 2,472,981</u>

See Notes to Consolidated Financial Statements.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Activities  
Years Ended December 31, 2025 and 2024  
(\$ in thousands)**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Gains from mortgage banking activities	\$ 186,503	\$ -	\$ 186,503	\$ 141,008	\$ -	\$ 141,008
Interest income	90,183	1,112	91,295	90,447	1,875	92,322
Syndication fees	67,507	-	67,507	52,685	-	52,685
Contributions	9,991	56,211	66,202	65,460	52,135	117,595
Loan servicing fees	48,854	-	48,854	44,754	-	44,754
Rental income	48,479	-	48,479	45,418	-	45,418
Asset management fees	37,731	-	37,731	40,522	-	40,522
Property management fees and reimbursed costs	31,287	-	31,287	26,606	-	26,606
Grants and contracts	21,530	7,702	29,232	27,902	10,064	37,966
Development fees	17,798	-	17,798	12,676	-	12,676
Investment income	3,387	1,056	4,443	3,515	1,026	4,541
Advisory services and other fees	4,380	-	4,380	3,753	-	3,753
Other revenue	15,447	-	15,447	9,613	-	9,613
	583,077	66,081	649,158	564,359	65,100	629,459
Net assets released from restrictions	87,411	(87,411)	-	97,955	(97,955)	-
Total revenue and support	670,488	(21,330)	649,158	662,314	(32,855)	629,459
Expenses						
Program activities	569,568	-	569,568	553,559	-	553,559
Management and general	29,916	-	29,916	25,589	-	25,589
Fundraising	7,272	-	7,272	6,760	-	6,760
Total expenses	606,756	-	606,756	585,908	-	585,908
Excess (deficiency) of revenue and support over expenses from operations	63,732	(21,330)	42,402	76,406	(32,855)	43,551
(Loss) gain on dispositions of property and equipment	(260)	-	(260)	339	-	339
Net realized and unrealized gain (loss) on investments	38	3,939	3,977	(410)	2,520	2,110
Impairment	(6,393)	-	(6,393)	(352)	-	(352)
Equity in net (loss) income from unconsolidated partnerships	(198)	-	(198)	6,079	-	6,079
Change in net assets before income taxes	56,919	(17,391)	39,528	82,062	(30,335)	51,727
Income tax expense	1,374	-	1,374	4,639	-	4,639
Change in net assets	55,545	(17,391)	38,154	77,423	(30,335)	47,088
Change in net assets, noncontrolling interest	(41,411)	-	(41,411)	(26,802)	-	(26,802)
Change in net assets, controlling interest	\$ 14,134	\$ (17,391)	\$ (3,257)	\$ 50,621	\$ (30,335)	\$ 20,286

See Notes to Consolidated Financial Statements.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Functional Expenses  
Years Ended December 31, 2025 and 2024  
(\$ in thousands)**

Expenses	2025				2024			
	Program Activities	Management and General	Fundraising	Total	Program Activities	Management and General	Fundraising	Total
Salaries and employee benefits	\$ 323,088	\$ 18,925	\$ 5,081	\$ 347,094	\$ 298,387	\$ 17,144	\$ 4,774	\$ 320,305
Grants	50,343	-	-	50,343	64,711	-	-	64,711
General operating expenses	41,511	2,928	148	44,587	28,941	2,364	114	31,419
Interest expense	46,084	296	-	46,380	42,335	232	-	42,567
Occupancy	42,522	1,178	319	44,019	42,095	1,624	263	43,982
Professional and contract services	19,320	3,899	1,276	24,495	21,485	2,479	1,127	25,091
Depreciation and amortization expense	16,781	1,604	60	18,445	18,043	895	63	19,001
Provision for credit losses and bad debt expense	17,949	-	-	17,949	25,522	-	-	25,522
Travel and related costs	7,821	414	134	8,369	7,467	411	186	8,064
Marketing expenses	2,323	194	106	2,623	3,189	412	207	3,808
Meetings and conferences	1,826	478	148	2,452	1,384	28	26	1,438
	<u>\$ 569,568</u>	<u>\$ 29,916</u>	<u>\$ 7,272</u>	<u>\$ 606,756</u>	<u>\$ 553,559</u>	<u>\$ 25,589</u>	<u>\$ 6,760</u>	<u>\$ 585,908</u>

See Notes to Consolidated Financial Statements.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Changes in Net Assets  
Years Ended December 31, 2025 and 2024  
(\$ in thousands)**

	Without Donor Restrictions			With Donor Restrictions	Consolidated Net Assets
	Controlling Interest	Noncontrolling Interest	Total		
Balance, December 31, 2023	\$ 525,025	\$ 153,202	\$ 678,227	\$ 179,722	\$ 857,949
Contributions	-	13,979	13,979	-	13,979
Distributions	-	(23,017)	(23,017)	-	(23,017)
Redemption of noncontrolling member's interest	-	(13,524)	(13,524)	-	(13,524)
Reallocation of interests to reflect ownership share	134	(134)	-	-	-
Resyndication of property	(914)	-	(914)	-	(914)
Change in net assets	<u>50,621</u>	<u>26,802</u>	<u>77,423</u>	<u>(30,335)</u>	<u>47,088</u>
Balance, December 31, 2024	574,866	157,308	732,174	149,387	881,561
Contributions	-	10,722	10,722	-	10,722
Distributions	-	(36,182)	(36,182)	-	(36,182)
Redemption of noncontrolling member's interest	-	(8,528)	(8,528)	-	(8,528)
Reallocation of interests to reflect ownership share	(354)	354	-	-	-
Resyndication of property	1,668	-	1,668	-	1,668
Change in net assets	<u>14,134</u>	<u>41,411</u>	<u>55,545</u>	<u>(17,391)</u>	<u>38,154</u>
Balance, December 31, 2025	<u>\$ 590,314</u>	<u>\$ 165,085</u>	<u>\$ 755,399</u>	<u>\$ 131,996</u>	<u>\$ 887,395</u>

See Notes to Consolidated Financial Statements.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2025 and 2024  
(\$ in thousands)**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Changes in net assets	\$ 38,154	\$ 47,088
Adjustments to reconcile changes in net assets to net cash provided by (used) in operating activities		
Depreciation and amortization expense	18,445	19,001
Amortization of debt issuance costs	1,324	1,143
Impairment expense	6,393	352
Loss (gain) on dispositions of property and equipment	260	(339)
Bad debt expense	1,877	3,970
Provision for credit losses	16,072	21,552
Changes in operating lease right-of-use asset and liability, net	(522)	106
Net unrealized gain on investments	(3,909)	(1,836)
Equity in net loss (income) from unconsolidated partnerships	198	(6,079)
Deferred tax expense (benefit)	174	(242)
Origination of mortgage servicing rights	(47,073)	(35,216)
Amortization of mortgage servicing rights	40,018	33,995
Origination of mortgages held for sale	(4,432,051)	(3,459,593)
Proceeds from sales of loans to third parties	4,310,729	3,327,349
Decreases (increases) in assets		
Contributions receivable, net	10,338	8,141
Accounts and other receivables, net	8,474	(5,094)
Derivative assets	76,646	(14,468)
Investments in unconsolidated partnerships	(11,358)	5,450
Prepaid expenses and other assets	4,343	(5,093)
Increases (decrease) in liabilities		
Accounts payable, accrued expenses, and other liabilities	9,441	3,048
Grants payable	(1,694)	11,316
Funds held for others	(5,010)	296
Derivative liabilities	(75,676)	14,379
Indebtedness	115	52
Deferred tax liabilities, net	(144)	(1,805)
Deferred grant income	619,740	(979)
	<u>585,304</u>	<u>(33,506)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Advances on loans and notes receivable	(146,658)	(206,988)
Repayments of loans and notes receivable	124,293	173,807
Net purchases of investments	(704)	(1,052)
Purchases of property and equipment	(13,003)	(12,822)
Investments made in unconsolidated partnerships	(13,916)	(11,795)
Cash received (transferred) upon syndication	3,601	(385)
Net cash acquired in purchase of limited partner interests	1,224	5,116
Payment for acquisition of assets of First Southern	-	(2,414)
Payment for acquisition of assets of Abundance Capital	-	(2,000)
Distributions from investments in unconsolidated partnerships	2,159	13,282
	<u>(43,004)</u>	<u>(45,251)</u>
Net cash used in investing activities		

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2025 and 2024  
(\$ in thousands)**

	2025	2024
	<u>                    </u>	<u>                    </u>
Cash flows from financing activities		
Proceeds from indebtedness	161,803	238,075
Indebtedness repayments	(29,747)	(9,900)
Payment of debt issuance costs	(1,252)	(628)
Contributions from noncontrolling interest holders	10,722	6,612
Distributions to noncontrolling interest holders	<u>(44,710)</u>	<u>(31,857)</u>
Net cash provided by financing activities	<u>96,816</u>	<u>202,302</u>
Net increase in cash and cash equivalents	639,116	123,545
Cash and cash equivalents, beginning of year	<u>517,472</u>	<u>393,927</u>
Cash and cash equivalents, end of year	<u>\$ 1,156,588</u>	<u>\$ 517,472</u>
Supplementary disclosure of cash flow information		
Cash paid for interest during the year, net of amounts capitalized	<u>\$ 44,576</u>	<u>\$ 43,866</u>
Income taxes paid, net	<u>\$ 1,766</u>	<u>\$ 6,183</u>
Reconciliation of cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows		
Cash and cash equivalents	\$ 315,997	\$ 315,043
Restricted cash and cash equivalents	<u>840,591</u>	<u>202,429</u>
Total cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows	<u>\$ 1,156,588</u>	<u>\$ 517,472</u>
Supplementary disclosure of significant noncash investing and financing activities		
Commitments to make capital contributions to unconsolidated partnerships	<u>\$ 221,958</u>	<u>\$ 94,178</u>
Transfers of investments in unconsolidated partnerships	<u>\$ 59,542</u>	<u>\$ 107,662</u>
Note receivable for transfer of property	<u>\$ -</u>	<u>\$ 535</u>
Loans and notes receivable written off	<u>\$ 3,654</u>	<u>\$ 4,673</u>
Lease obligations recognized at inception of new leases	<u>\$ 2,504</u>	<u>\$ -</u>
Recognition of contingent consideration liability in connection with First Southern acquisition	<u>\$ -</u>	<u>\$ 2,650</u>
Contributions from noncontrolling interest holders through issuance of notes receivable	<u>\$ -</u>	<u>\$ 7,367</u>
Redemption of noncontrolling interest members' interest through issuance of notes payable	<u>\$ -</u>	<u>\$ 4,684</u>

See Note 1 and Note 10 for noncash activities related to the the acquisition of affordable housing properties, acquisition of limited partner interests, resyndication transactions, and asset purchases of First Southern Mortgage Corporation and Abundance Capital.

See Notes to Consolidated Financial Statements.

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Notes to Consolidated Financial Statements December 31, 2025 and 2024

### Note 1 - Organization and nature of operations

#### Basis of presentation

The consolidated financial statements include the accounts and transactions of Enterprise Community Partners, Inc. ("Partners"), and our subsidiaries and affiliates (collectively, "we", "Enterprise", or "us") in which we have controlling interest, including Enterprise Community Investment, Inc. ("Investment"), Enterprise Community Loan Fund ("Loan Fund"), Bellwether Enterprise Real Estate Capital, LLC and Subsidiaries ("Bellwether") and Enterprise Community Development, Inc. and Subsidiaries ("ECD"), among others. Our consolidated financial statements have been prepared on an accrual basis and include the accounts of Partners and all for-profit subsidiaries and not-for-profit affiliates it controls. The ownership interests of other parties in entities we consolidate are presented as noncontrolling interest in our consolidated financial statements. We primarily use the equity method to account for the interests in entities we do not control. Significant intercompany balances and transactions are eliminated in consolidation.

#### Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenue and expenses recognized during the reporting period. Significant estimates are inherent in the preparation of these consolidated financial statements in a number of areas, including revenue recognition, evaluation of the collectability of accounts, loans and notes, contributions and other receivables, assessment of the value of investments in unconsolidated partnerships and goodwill, valuation of mortgage loans held for sale ("MLHS"), derivative assets and liabilities and mortgage servicing rights ("MSRs") and related valuation reserves, useful lives of property and equipment and intangible assets, determination of discount rate and length of lease term when valuing right-of-use lease assets and lease liabilities, estimation of potential losses relating to loans and development cost overruns, measurement of uncertain tax positions and determination of certain deferred income tax assets and liabilities and associated valuation allowances, allocation of expenses between functional expense category, determination of the fair value of unconditional contributions, and evaluation of guarantee obligations. Actual results could differ from our estimates.

#### Organization and business

Partners is a 501(c)(3) and 509(a)(1) publicly supported charitable foundation. Our mission is to create opportunities for low- and moderate-income people through fit, affordable housing and diverse, thriving communities. Partners accomplishes this mission by providing local communities technical assistance, training and financial resources. More specifically, we provide: operating grants to community organizations; loans to community-based developers of low-income housing, community organizations and certain affiliates; technical services and training programs; and research and information services. Partners obtains funding primarily from contracts, grants and contributions from the federal government, foundations, corporations, individuals, state and local governments and through services provided to subsidiaries and affiliates.

Investment is a stock based, 501(c)(4) social welfare organization. Investment supports Partners' mission by providing investment capital and development services for affordable housing and community revitalization efforts. Investment's core business strategy involves working in partnership with developers and corporate investors to invest and manage equity and debt investments in affordable housing and catalytic commercial properties in low-income and emerging communities throughout the United States. These investments may qualify for low-income housing tax credits ("LIHTC"), historic tax credits, new markets tax credits ("NMTC"), and/or Opportunity Zone federal

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

tax incentives. In support of our core strategy, Investment provides asset management and consulting services, offers debt financing products to affordable residential and commercial properties, provides development and management expertise relating to the construction of affordable housing properties, and provides property management services to affordable housing properties.

Loan Fund is a 501(c)(3) and 509(a)(2) not-for-profit organization, and a community development financial institution ("CDFI") whose mission is to deliver innovative financial products and technical assistance to mission-aligned organizations to acquire, develop, and preserve quality affordable housing for low- and moderate-income families, and to revitalize their communities by providing access to good jobs, quality affordable housing, first-rate schools, transportation and healthy living environments.

Bellwether, originates permanent loans for a wide range of institutional investors, including life insurance companies, pension funds, debt funds, government agencies and banks. Bellwether also manages mortgage loan servicing for these institutional investors. The department of Housing and Urban Development ("HUD") recognizes Bellwether as a Title II Nonsupervised Mortgagee under the Federal Housing Association ("FHA") loan program, and Bellwether is an approved Government National Mortgage Association ("Ginnie Mae") issuer of mortgage-backed securities, for which Bellwether services the underlying multifamily mortgage loans. Bellwether is also a licensed Freddie Mac Optigo Seller Servicer of Conventional, Manufactured Housing Community, Senior Housing and Targeted Affordable Housing ("TAH") Loans. These licenses enable Bellwether to originate multifamily mortgage loans on behalf of the Federal Home Loan Mortgage Corporation. In addition, Bellwether is a full Delegated Underwriting and Servicing ("DUS") Lender in the Federal National Mortgage Association ("Fannie Mae") program which allows Bellwether to underwrite, close and deliver most loans without Fannie Mae pre-review. Bellwether is required to maintain financial eligibility and adhere to financial reporting requirements under these programs (see Note 23).

As of December 31, 2025 and 2024, our ownership interest in Bellwether was 43.25% and 43.49%, respectively. As of December 31, 2025 and 2024, our controlling voting interest was 57.72% and 58.17%, respectively.

Through our controlled affiliate Enterprise Community Development, Inc. and Subsidiaries ("ECD"), we develop and support financially sound, socially responsible affordable housing for low-income individuals, families, and communities through acquisition, development and ownership, property management, and work in partnership with residents of housing developments to establish programs that strengthen their communities and increase opportunities for individual growth. Its properties are located in the Mid-Atlantic region, including Virginia, Washington, D.C., Maryland and Pennsylvania.

We wholly-own and consolidate EPF Growth Fund, LLC ("EPF") into these financial statements. EPF serves as a vehicle for providing unsecured working capital and predevelopment loans to socially and economically disadvantaged individual leaders in the real estate industry.

We, along with a coalition of other not-for-profit organizations, formed Power Forward Communities, Inc. ("PFC"). This 501(c)(3) organization was formed to administer a \$2 billion award it received in 2024 from the Environmental Protection Agency ("EPA") under the National Clean Investment Fund ("NCIF") program. As control of PFC is shared by us and the other coalition members, it is not consolidated into these financial statements. In conjunction with the creation of PFC, we formed Enterprise Green Accelerator, Inc. ("EGA"), a controlled affiliate of Partners. EGA entered into a subrecipient agreement with PFC for \$599 million in 2024 to support deployment of the NCIF award. EGA received the entirety of its subaward in 2025, and plans to use these funds to support the

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

adoption of clean energy measures and address gaps in deep energy affordable housing projects benefitting low-income and disadvantaged communities across the United States.

On March 11, 2025, PFC received a Notice of Termination from the EPA for the aforementioned \$2 billion award it received under the NCIF program. This Notice of Termination also effectively terminated EGA's subaward. Shortly after, PFC, along with other third-party award recipients under the NCIF program, filed separate lawsuits against the EPA and its designated financial agent for the NCIF award, Citibank, to unfreeze the award dollars being held by the financial agent so the award recipients can use the funds to continue to carry out the purpose of the awards. These lawsuits were subsequently consolidated into a single case. On April 15, 2025, the District Court granted PFC, as well as the other NCIF awardees, motion for its Preliminary Injunction. The Order enjoined the EPA from terminating the NCIF awards and related contracts, limiting access to the funds, or directing its financial agent to withhold the funds. Additionally, it enjoined the financial agent from transferring the funds other than allowed under the awards and related contracts, and directs the financial agent to release funds as directed under those awards and contracts beginning April 17, 2025. The federal government moved before the Court of Appeals for an administrative stay pending an appeal challenging the Preliminary Injunction. On September 2, 2025 a panel of the Court of Appeals reversed the preliminary injunction and by order dated January 17, 2026 the Court of Appeals granted an en banc ruling, vacated the September 2, 2025 order and re-established the April 16, 2025 partial administrative stay. Oral argument on the appeal was held on February 24, 2026 and we are awaiting a ruling.

#### **Donor restrictions**

Net assets, revenue, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Net assets without donor restrictions - Net assets not subject to donor-imposed restrictions.
- Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that will be met by our actions and/or the passage of time, or maintained perpetually by us.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Investment proceeds and realized/unrealized gains and losses are reported as changes in net assets without donor restrictions unless specifically limited by donor-imposed restrictions. We elected the simultaneous release option for donor-restricted contributions that were initially conditional contributions. We classify these contributions as net assets without donor restrictions if the restriction is met in the same reporting period the revenue is recognized. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions, except for those subject to the simultaneous release option.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

#### Acquisition of limited partner interests

During 2025 and 2024, ECD acquired the remaining limited partnership interests in one and five affordable housing properties, respectively, for which ECD previously held the general partner interest for a combined purchase price of \$1.0 million and \$66,532, respectively. Subsequent to the purchase of the limited partner interests, ECD was deemed to control the partnerships, and therefore, upon purchase consolidated the assets and liabilities into these consolidated financial statements. As these purchases did not constitute the purchase of a business, they have been accounted for as asset acquisitions. The initial effect on these consolidated financial statements upon acquisition is summarized as follows (\$ in thousands):

For the year ended December 31, 2025:

Cash and cash equivalents	\$	(291)
Restricted cash and cash equivalents		482
Accounts and other receivables		34
Prepaid expenses and other assets		112
Property and equipment		11,385
Accounts payable and accrued expenses		(493)
Funds held for others		(117)
Indebtedness		(11,084)
Deferred revenue		(28)

For the year ended December 31, 2024:

Cash and cash equivalents	\$	986
Restricted cash and cash equivalents		4,130
Accounts and other receivables		(766)
Investments in unconsolidated partnerships		(6)
Prepaid expenses and other assets		799
Loans and notes receivable		(1,463)
Property and equipment		57,308
Intangible assets		2,185
Accounts payable and accrued expenses		(3,554)
Funds held for others		(351)
Indebtedness		(59,085)
Deferred revenue		(183)

#### Resyndication transactions

On September 17, 2024, ECD closed on a syndication transaction whereby the asset of a wholly-owned partnership was transferred to a new partnership. ECD transferred capital assets with a book value of \$2.6 million, reserves of \$0.4 million, loans with a book value of \$2.1 million and interest payable with a book value of \$1.5 million. As the liabilities transferred were in excess of the net book value of the assets transferred, ECD recognized an increase in net assets relating to this transaction of \$0.6 million. Additionally, during 2024, deferred tax liabilities of \$1.5 million were recognized from resyndications that occurred in 2023 resulting in a decrease in net assets.

On October 31, 2025, ECD closed on a syndication transaction whereby the asset of the wholly-owned partnership was transferred to a new partnership. ECD transferred capital assets with a book value of \$2.3 million, intangible assets with a book value of \$0.4 million, and a loan with a book value of \$0.7 million. In exchange, ECD received cash of \$3.0 million, reserves of \$0.6 million, accounts receivable of \$0.3 million, and seller notes valued at \$7.1 million. ECD did not recognize a gain or

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

increase in net assets related to the seller notes received in this transaction. As the liabilities transferred were in excess of the net book value of assets transferred, ECD recognized an increase in net assets relating to this transaction of \$1.9 million. During 2025, deferred tax liabilities of \$0.3 million were recognized on the transaction resulting in a decrease in net assets.

#### **Asset Purchase of First Southern Mortgage Corporation**

On January 24, 2024, Bellwether entered into an Asset Purchase Agreement with First Southern Mortgage Corp. of Tennessee ("First Southern") to purchase assets and hire employees. First Southern is a mortgage lender based in the Tennessee area. There was total consideration of \$5.1 million in connection with the acquisition, which consisted of a cash payment of \$2.4 million and contingent consideration of \$2.7 million. This transaction was accounted for in accordance with business combinations accounting guidance.

The effect on these consolidated financial statements of the combination is summarized as follows (\$ in thousands):

Cash and cash equivalents	\$	(2,414)
Mortgage servicing rights		1,686
Intangible assets		830
Goodwill		2,548
Accounts payable and accrued expenses		(2,650)

There were no liabilities assumed in the acquisition, rather the amount recognized as accounts payable and accrued expenses is a contingent liability which represents additional payments to be made based on the achievement of specific performance factors in the future.

The mortgage servicing rights ("MSRs") above represent the fair value of servicing contracts primarily related to private/equity loans that are cancellable within 30 to 90 days. For financial statement presentation purposes, these assets are classified with MSRs, as they are being amortized and accounted for similar to other MSRs in the overall pool.

#### **Asset Purchase of Abundance Capital**

On April 25, 2024, Bellwether entered into an Asset Purchase Agreement for \$2.0 million cash with Abundance Capital to purchase assets and hire employees, resulting in the recognition of goodwill. Abundance Capital is a mortgage lender based in the Los Angeles area.

### **Note 2 - Significant accounting policies**

#### **Gains from mortgage banking activities**

Gains from mortgage banking activities are recognized when Bellwether records a derivative asset upon entering into a commitment to originate a loan with a borrower and when Bellwether enters into a corresponding commitment to sell that loan to an investor. Bellwether does not enter into commitments to make loans to borrowers until they have the corresponding commitment from an investor to purchase the loans. The commitments are recognized at their fair values, which reflect the fair value of the contractual loan origination related fees and sale premiums, net of costs, and the estimated fair value of the expected net cash flows associated with the servicing of the loan. Also, included in gains from mortgage banking activities are changes to the fair value of loan commitments, forward sale commitments, and loans held for sale that occur during their respective holding periods. Upon sale of the loans, no gains or losses are recognized as such loans are recorded at fair value during their holding periods. MSRs are recognized as assets upon the sale of the loans. Additionally, placement fees are recorded as gains from mortgage banking

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

activities when Bellwether directly arranges commitments between a permanent investor and a borrower. Placement fees are recognized as revenue when all significant services have been performed.

#### **Interest income**

Interest income on loans and notes receivable is accrued on the principal balance outstanding at the contractual interest rate. Direct origination costs are offset against related origination fees and the net amount is amortized over the life of the loan as a component of interest income. For certain loans and notes receivable that were initially recorded at fair value due to rules surrounding accounting for business combinations, interest income is accrued using the effective interest method.

#### **Effective interest method**

Interest income is accrued using the effective interest method on loans and notes receivable, and interest expense is accrued using the effective interest method on loans and notes payable that were recorded initially in these financial statements at their fair values due to rules surrounding accounting for business combinations.

#### **Syndication fees**

We earn syndication fees for services relating to forming limited partnership entities, particularly LIHTC funds (known as "Investment Funds"), selling interests in those partnerships to investors and acquiring interests in affordable housing properties that are expected to generate a stream of low-income housing tax credits. Syndication fees from the sale of partnership interests to investors and related acquisitions of interests in properties are recognized as the partnerships acquire property interests, which is deemed to be the point our performance obligation has been satisfied and control has been transferred to the customer, provided that various criteria relating to the terms of the transactions and any subsequent involvement by us with the interests sold are met. Revenue relating to transactions that do not meet the established criteria is deferred and recognized when the criteria are met. All syndication fees earned represent market rates.

We may elect to defer the collection of a portion of the fees earned for syndication services if the Investment Funds have short-term liquidity needs. If deferral is elected, we record the related revenue and receivables based on the estimated date of collection using appropriate discount rates. Accretion of interest is included in syndication fees in the consolidated statements of activities.

#### **Contributions**

Contributions, which are unconditional transfers of cash or other assets as well as unconditional promises to give, are recognized as net assets with donor restrictions in the period the promise is made if there are donor stipulations on use or payments to be received in future periods. Contributions are recognized as net assets without donor restrictions if there are no donor stipulations on use or the donor permits payments to be received in future periods to be used in the current period. We reclassify net assets with donor restrictions to net assets without donor restrictions at the time the restriction for release is met. Unconditional grants made by us in accordance with the restricted purpose of a donor-restricted contribution made to us are generally considered to meet the donor-imposed restriction at the time we issue the grant, as we have no additional performance specific to the issuance of the grant. The reclassification of net assets may include payments due to us in future periods. If there are explicit stipulations or other indications that the donor-imposed restriction intends for grants to be made by us in a future period rather than the current period, then we issue the grant in such future period.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Conditional promises to give with payments received in advance are classified as liabilities. As we elected the simultaneous release option for donor-restricted contributions that were initially conditional contributions, we classify these contributions as net assets without donor restrictions if the restriction is met in the same reporting period the revenue is recognized.

Contributions are initially measured at fair value or net realizable value if receipt is expected in less than one year. In estimating fair value, we use the income approach. For contributions where receipt is expected in more than one year, we apply a discount rate, determined at the time the contribution is initially recognized and commensurate with the risk involved. This rate is based on management's assessment of current market expectations plus a reasonable risk premium. The average discount rate for 2025 and 2024 was 4.80% and 5.56%, respectively. Amortization of the discount is recorded as additional contribution revenue. Contributions of assets other than cash are recorded at estimated fair value at the date of the gift.

An allowance for uncollectible contributions receivable is made based upon management's judgment, inclusive of factors such as prior collection history, the type of contribution and other relevant factors.

Contributions with donor imposed restrictions from the top five contributors, excluding pass-through contributions, comprise approximately 69% and 43% of total contributions for 2025 and 2024, respectively.

In addition, during the year ended December 31, 2024, we received an unrestricted contribution from a philanthropist in the amount of \$65 million.

#### **Contributed goods and services**

In-kind contributions consist of donated goods, rent and professional services provided to ECD. All amounts are recorded as without donor restrictions at fair value at the time of contribution and recorded as expense when used in programming for goods, or over the period of service for donated services. These amounts are included in contributions and grants in the consolidated statements of activities.

#### **Loan servicing fees**

Loan servicing fees represent income earned for servicing loan portfolios owned by permanent investors, net of amortization of capitalized MSR, if applicable. Loan servicing fees are generally calculated on the outstanding principal balance of the loan serviced and recognized as income as services are performed. Loan servicing costs are charged to expense as incurred.

#### **Rental income**

Rental income, principally derived from short-term leases on apartment units, is recognized as income on the accrual basis as it is earned, and collectability is reasonably assured. Advance receipts of rental income are deferred and classified as liabilities until earned.

A portion of the rental income is in the form of subsidy payments from HUD under Section 8 of the National Housing Act. Rent for certain units is subsidized based on tenant income levels. Rent increases require HUD approval.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

#### **Asset management fees**

We earn asset management fees in providing oversight and management services relating to investments held by various affiliated partnerships. Revenue is recognized under the terms of the related agreements over time as we provide the contracted services to the customers and collectability is reasonably assured. Certain syndication fees are associated with certain asset management services to be performed throughout the life of the limited partnerships and these fees are deferred and recognized as a component of asset management fees over the periods that the services are performed. Advance payments received under multi-year agreements are recorded as deferred revenue and recognized over time as revenue when services are performed.

#### **Property management fees and reimbursed costs**

ECD earns property management fees for providing management services to multi-family LIHTC and workforce housing properties for which it has a property management agreement. Revenue is recognized under the terms of the related agreements over time as ECD provides the contracted services, and collection is reasonably assured. A liability is recognized for advanced payments received under multi-year agreements, and related revenue is recognized over time as ECD provides the contracted services. For the years ended December 31, 2025 and 2024, ECD recognized property management fee revenue of \$7.7 million and \$6.3 million, respectively.

Under ECD's property management agreements, ECD is entitled to be reimbursed for certain costs ECD incurs on behalf of the managed housing properties, with no added mark-up. These costs consist primarily of payroll and related expenses for the housing properties where ECD is the employer of the employees performing services at the housing properties. ECD's agreements also provide for the ability to bill for certain operational costs, such as allocated IT costs as the related costs are incurred by the managed housing properties. ECD is entitled to reimbursement in the period in which the related costs are incurred. For the years ended December 31, 2025 and 2024, ECD recognized cost reimbursement revenue of \$23.6 million and \$20.3 million, respectively.

#### **Grants and contracts**

Grants and contracts are generally conditional promises of funding from government sources. The funding includes stipulations that must be met by us in order to be entitled to the assets transferred or promised. These are generally cost reimbursement contracts where the stipulations are met at the time costs are incurred. Certain grants and contracts provide for reimbursement of indirect costs, generally based on a specified percentage of direct costs. The revenue related to direct and indirect costs is recorded as an addition to net assets without donor restrictions if the restrictions are met in the same reporting period, in accordance with our election of the simultaneous release option.

Approximately 56% and 51% of the grants and contract revenue is derived from federal cost reimbursement contracts in 2025 and 2024, respectively. Approximately 62% and 87% of the federal funding is provided by HUD in 2025 and 2024, respectively.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

#### **Development fees**

ECD recognizes development fees primarily relating to low-income housing rental properties that ECD assists in developing, in accordance with development service agreements. ECD views its contractual obligations under these agreements as a single performance obligation and recognizes revenue over time using the percentage of completion method, in accordance with its estimates of the satisfaction of the performance obligation and transfer of the development and construction management services. Certain portions of development fee revenue may be deferred due to contractual support obligations that may require funding from ECD after the completion of the construction period of the low-income housing rental property. These deferrals are recognized after it is reasonably estimable that ECD has no further support obligations that will require funding under the contract which generally occurs after construction completion and stabilization, as defined in the contract, of the low-income housing rental property. Revenue recognized in excess of billings recorded are accounted for as unbilled receivables, and cash received in excess of revenue recognized is accounted for as deferred revenue. Development fee revenue, which is contractually deferred, and will be paid out of the operating cash surpluses of the underlying low-income housing rental properties are included in accounts and other receivables, net. Under certain development service agreements, contractually deferred revenue is noninterest-bearing and discounted based upon the net present value of the expected future payments.

Under certain of ECD's development fee agreements, ECD is responsible for costs that are in excess of an agreed maximum amount. In these cases, ECD recognizes revenue as described above, however, if a current estimate of total contract costs indicates that cost are expected to be incurred in excess of the agreed-upon maximum amount, a loss is recognized in the period such excess costs are determined.

#### **Investment income**

Investment earnings on funds held pursuant to donor-imposed restrictions are reported as investment income and added to net assets with donor restrictions. Changes in market value on investments with donor-imposed restrictions are reported as net realized and unrealized gains and losses and added to or deducted from net assets with donor restrictions.

#### **Advisory services and other fees**

Revenue is recognized under the terms of the related agreements when services are performed and collectability is reasonably assured. A liability is recognized for advance payments received under agreements, and revenue is recognized when services are performed.

Included in advisory services and other fees are New Markets Tax Credit assignment fees, when applicable. Through applications with the United States of America Department of Treasury, we obtain NMTC that must be used to support the development of commercial real estate in emerging and under-served communities. Using the NMTC, we are able to provide an incentive to facilitate the investment in qualifying real estate properties. NMT assignment fees are recognized when an investor makes a qualified equity investment in a partnership and the partnership identifies and commits to a qualified low-income community investment, which is deemed to be the point our performance obligation has been satisfied and control has been transferred to the customer.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

#### **Cash and cash equivalents and investments**

Our investment policies define authorized investments and establish various guidelines for the credit quality, amounts and maturities of investments held. Authorized investments include corporate and U.S. government and agency obligations, certificates of deposit, banker's acceptances, repurchase agreements, and money market mutual funds. The carrying value of such investments approximates their market value. Short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents.

Unrestricted investments consist of marketable securities, stock, and certificates of deposit that are carried at fair value. Investments in marketable securities consist of U.S. Treasury and agency securities and are carried at fair value. The original basis of such investments is the purchase price.

#### **Restricted cash and cash equivalents**

Restricted cash and cash equivalents consist of funds held for lending activity, restricted contributions and funds held for others under escrow, restricted insurance proceeds, partnership and fiscal agent agreements.

#### **Accounts and other receivables**

Accounts and other receivables are reported net of an allowance for credit losses. We routinely evaluate our accounts and other receivables balances and allow for anticipated losses based on our best estimate of probable losses.

We routinely evaluate the creditworthiness of our borrowers and other related factors and establish a reserve where we believe collectability is no longer reasonably assured. Expected credit losses for accounts and other receivables are estimated based on historical experience, current conditions, and reasonable and supportable forecasts. The allowance for credit losses for these financial assets at December 31, 2025 is not significant.

#### **Mortgage loans held for sale**

Bellwether originates or acquires MLHS for investors. Bellwether's holding period for these MLHS is generally one month. Bellwether measures its MLHS at fair value. The fair value is estimated by using current investor commitments to purchase loans, adjusted for the value attributable to retained MSRs or obligations, to approximate the value of a whole loan.

#### **Derivative assets and liabilities**

Bellwether enters into interest rate lock commitments with borrowers on loans intended to be held for sale and enters into forward sale commitments with investors. These commitments are not entered into on a speculative basis as each commitment to lend has a corresponding commitment from an investor to purchase. These commitments are considered freestanding derivative instruments and, as such, must be reflected at fair value with changes included in earnings within the consolidated financial statements. Fair value of derivatives related to these loan commitments includes the effects of interest rate movements between the time of the commitment and the time of the loan funding and investor purchase, any loan origination fees and premiums on the anticipated sale of the loan, net of costs, and the fair value of the expected net cash flows associated with the servicing of the loan as part of the fair value of the underlying commitments.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

In addition, ECD or one of its controlled properties may enter into interest rate swaps to mitigate the economic impact of changes in interest rates. The swaps are designated as cash flow hedges and are being used to offset the risk of changes in cash flows associated with benchmark interest payments on certain variable rate mortgage loans. ECD reassess the hedge on an ongoing basis to determine effectiveness. As of December 31, 2024, there was no hedge ineffectiveness. The interest rate swap held as of December 31, 2024 expired on August 25, 2025. Changes in the fair value of interest rate swap contracts are reported as a component of interest expense on the consolidated statements of activities. The swaps are reported at fair value.

#### **Principles of consolidation - limited partnerships and similar entities**

We have subsidiaries and controlling interests in entities subject to not-for-profit consolidation principles, and subsidiaries and controlling interests in entities subject to for-profit consolidation principles. Not-for-profit consolidation principles require limited partnerships or similar entities to be consolidated by the general partner or managing member under the presumption that the general partner or managing member controls the entity. The presumption of control by a general partner or managing member can be overcome if the limited partners are able to exercise substantive kick-out or participating rights. We do not consolidate limited partnerships or similar entities in which we own a general partner or managing member interest and for which the presumption of control has been overcome, and instead account for these interests using the equity method of accounting. For limited partnerships or similar entities in which we are solely a limited partner or investor member, we account for these interests using the equity method of accounting if we are able to influence the operating or financial decisions of the entity, or using the fair value method if we are not able to influence those decisions.

Interests in other entities held by our subsidiaries and controlled entities subject to for-profit consolidation principles are evaluated to determine if the entities are variable interest entities ("VIEs"). If the entities are determined to be VIEs, we then make a determination as to whether or not we are the primary beneficiary. The primary beneficiary is the party with both the power to direct the activities of a VIE that most significantly impact its economic performance and the obligation to absorb losses or right to receive benefits of the VIE that could potentially be significant to the VIE. We consolidate VIEs in which we are the primary beneficiary and account for our noncontrolling interests in VIEs and other entities we do not control using the equity method of accounting.

Under the equity method, the initial investment is recorded at cost, increased by our share of income and contributions, and decreased by our share of losses and distributions. As a general partner or managing member, our investment balance may be reduced below zero. Distributions we receive from investments with carrying amounts less than zero are recognized as income to the extent the distribution is not indicative of a future funding obligation.

Under the fair value method, the investment is carried at fair value with changes in the fair value recognized through changes in net assets. Under the fair value method, investments without a readily determinable fair value, as a practical expedient, may be estimated using the net asset value per share. If no net asset value per share is available, then the investment may be measured at cost minus impairment and adjusted to fair value if a future event occurs that provides us with enough observable inputs to determine the fair value. If the investment is estimated using the net asset value per share or measured at cost minus impairment, they are not classified within the fair value hierarchy.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

If events or circumstances indicate an other than temporary decline in value, the carrying amount of our investment in an unconsolidated partnership is written down to fair value, with the write down being classified as impairment.

#### **Loans and notes receivable**

We make loans to and enter into notes with community-based not-for-profit and for-profit mission aligned affordable housing developers, community organizations and certain affiliates for the purpose of supporting low-income communities. In addition, Bellwether enters into notes with certain of its employees to assist the employees in acquiring equity interest in Bellwether. We have two segments of loans and notes in our portfolio - housing loans and notes and other loans and notes. Housing loans and notes are primarily used to acquire, renovate and/or construct multi-family residential housing. Our other loans and notes generally provide financing for a variety of community development needs, including community facilities such as charter schools and health care centers as well as loans and notes that encourage community development by supporting growth and operating needs of organizations in low-income communities. Our loans and notes are generally collateralized by real estate. The majority of the loans and notes have repayment terms requiring a balloon payment when construction or permanent financing on the underlying property is secured, the property is sold, or at the stated maturity date. Our other loans and notes also include notes issued by Bellwether to their employees for the purposes of acquiring an equity interest in Bellwether, the terms for which vary.

We may modify loans or notes for a variety of reasons. Modifications include changes to interest rates, principal and interest payment terms, loan or note maturity dates, and collateral. Some modifications are in conjunction with a borrower experiencing financial difficulty when a loan or note is no longer performing under the current loan or note terms. These modifications may include the types of modifications noted above and/or a forbearance agreement. We also enter into loan participation agreements with other organizations as the lead lender. If certain conditions are met, these loan participations are accounted for as sales by derecognizing the participation interest sold. No gain or loss on sale is incurred. If the conditions are not met, we continue to carry the full loan receivable in our consolidated financial statements and reflect the participation component of the loan as a secured borrowing with a pledge of collateral. We retain the servicing rights on participations and provide loan servicing on other loan arrangements as well. Since the benefits of servicing approximate the costs, no servicing asset or liability is recognized on these loans or notes.

During the loan and note approval process, underwriting criteria is generally consistent regardless of the portfolio segment. Criteria considered for housing loans and notes include an analysis of the market, sponsor, primary repayment sources, loan takeout options, and collateral. For other loans and notes and investments, more attention is focused on additional criteria, such as the borrower's business plan and cash flow from operations. Once loans and notes are approved, our monitoring processes are consistently applied across portfolio segments.

As a result of these monitoring processes, we generally group our loans and notes into three categories:

- Performing - Loans and notes are performing and borrower is expected to fully repay obligations.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

- Monitored - Loans and notes are performing but require monitoring due to change in market, sponsor or other factors that have the potential to impact the borrower's ability to repay obligations.
- Impaired - The primary source of repayment is questionable and the value of the underlying collateral has declined, increasing the probability that we will be unable to collect all principal and interest due.

For impaired loans or notes, we discontinue the accrual of interest income in our statements of activities. Interest payments received on these loans or notes are recognized as either a reduction of principal or, if it is determined that principal can be fully repaid irrespective of collateral value, as interest income. Interest income is charged off when repayment is not expected to occur through reversing the amount recorded. Interest income on housing loans of \$0.9 million and \$0.3 million was charged off during the years ended December 31, 2025 and 2024, respectively. Interest accrual is resumed when the quality of the loan or note improves sufficiently to warrant interest recognition.

Loans and notes are carried at their unpaid principal balance, less an allowance for credit losses to reflect potentially uncollectible balances. The allowance for credit losses is based upon management's periodic evaluation of the criteria used to initially underwrite the loan or note as well as other credit factors, economic conditions, historic loss trends and other risks inherent in the overall portfolio such as geographic or sponsor concentration risks. Each loan or note is assigned a risk rating at the time of its initial underwriting. The rating is reviewed at least annually and is revised if the characteristics of the credit change. Risk ratings are based on three types of risk - market, sponsor, and repayment. Each risk rating is assigned an expected loss percentage based on the level of risk. Reserves are calculated based on the loan or note balance and assigned percentage. The expected loss percentage is based on actual inception to date losses, current economic conditions, and forecasted future circumstances, correlated with the level of risk. Our forecasts of future circumstances project two years into the future. Beyond the two years, we revert to historical loss information. The allowance is adjusted through the provision for credit losses which is recorded to expense and reduced by charge-offs, net of recoveries. Loans or notes are charged off when repayment is not expected to occur. When a third party guarantees loss coverage on a loan or note and a charge-off occurs, the amount received is netted against the charge-off for reporting purposes. After charge-off, we continue to pursue collection of the amount owed.

We record a liability for losses on unfunded commitments on our loans. The liability is calculated in the same manner as the allowance for credit losses on our funded loans above, adjusted for the likelihood that funding will occur. The liability is reported as a component of other liabilities on the consolidated statements of financial position and adjusted through the provision for credit losses, which is recorded to expense. The allowance for credit loss on unfunded commitments on loans was \$1.0 million at December 31, 2025 and 2024, and is included in other liabilities on the consolidated statement of financial position. Provision for credit losses for commitments for the years ended December 31, 2025 and 2024 was (\$32,000) and \$0.1 million, respectively.

#### **Restricted investments**

Restricted investments at December 31, 2025 and 2024 consisted of stock, marketable securities, and mutual funds.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

Investment in stock is with the Federal Home Loan Bank of Atlanta, which is accounted for using the cost method. This investment is evaluated annually for impairment. As of and for the years ended December 31, 2025 and 2024, we did not identify any events or changes in circumstances that might have a significant adverse effect on the recorded cost of this investment requiring the recording of an impairment loss. The carrying value of this stock was \$0.8 million and \$0.7 million as of December 31, 2025 and 2024, respectively.

Investments in marketable securities consist of U.S. Treasury and agency securities, which are carried at fair value. The original basis of such investments is the purchase price. Investment income is recorded when earned as an addition to net assets without donor restrictions unless restricted by a donor.

Investments in mutual funds are selected by the participants in our nonqualified deferred compensation plan. The investments in such mutual funds are measured at fair value with changes in value recorded as an offset to the corresponding liability at the end of each reporting period.

#### **Mortgage servicing rights and mortgage servicing obligations**

MSRs are recognized as separate assets when purchased, when the servicing is contractually separated from the underlying mortgage loans by sale or securitization of the loans with servicing rights retained, or when the right to service a loan originated by others is assumed. Whenever Bellwether obtains an obligation to service a loan, Bellwether assesses whether a servicing asset or liability should be recognized. A mortgage servicing asset is recognized whenever the compensation for servicing is expected to exceed current market servicing costs. Likewise, servicing liabilities are recognized when servicing fees to be received are not expected to adequately compensate Bellwether for its expected cost. The MSRs are initially recognized at fair value based on the expected future net cash flow to be received over the estimated life of the loan discounted at market rates. Subsequently, the mortgage servicing assets or liabilities are amortized in proportion to, and over the period of, estimated servicing income. The amortization expense is included as a reduction of loan servicing fees in the consolidated statements of activities.

The fair value of MSRs is estimated using an internal valuation model at the time of capitalization. This model determines fair value by estimating the present value of anticipated future net servicing cash flows. Estimates of the fair value involve assumptions, including discount rates, servicing costs, and other economic factors which are subject to change over time.

Changes in the underlying assumptions could cause the fair value of MSRs to change significantly. To the extent that the carrying value of MSRs exceeds fair value, the asset is considered to be impaired and a valuation reserve is recorded as a reduction of servicing income in current earnings. Valuation reserves are adjusted to reflect changes in the measurement of impairment. At December 31, 2025 and 2024, no valuation reserve was necessary.

#### **Property and equipment and intangible assets**

Property and equipment and intangible assets are stated at cost less accumulated depreciation and amortization. If events or circumstances indicate that the carrying amount is not recoverable, the related asset is tested for impairment and written down to the fair value, if impaired. Upon meeting certain criteria, we capitalize external direct costs incurred and payroll and payroll-related expenses for employees who are directly associated with developing or obtaining software applications and related upgrades and enhancements. The cost of property and equipment and certain intangible assets is depreciated or amortized using the straight-line method over the estimated useful lives of the related assets, which range from six months to 82 years. Some intangible assets are amortized ratably as related fees are earned. Land is not depreciated, while leasehold improvements are

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

capitalized and depreciated over the shorter of their useful lives or lease terms. In addition, certain intangible assets are not amortized, rather they are reviewed for impairment annually and whenever a triggering event occurs.

#### **Goodwill**

Effective January 1, 2025, goodwill is amortized on a straight-line basis over ten years or a shorter period if a more appropriate useful life is determined. Goodwill is evaluated for impairment whenever a triggering event occurs.

#### **Grants payable and grant expense**

Unconditional grants made by us are reported as decreases in net assets without donor restrictions in the period the grant is made. Unconditional grants made by us in accordance with the restricted purpose of a donor-restricted contribution to us consider the period of performance and payment terms of the restricted contribution received by us. Conditional grants made by us are reported as decreases in net assets without donor restrictions in the period the conditions are substantially met by the grantee. Conditional grants include stipulations by us that must be met before the recipient is entitled to the transfer of assets and include a right of return of the assets or release of the obligation to transfer assets if the stipulations are not met. All grants payable outstanding as of December 31, 2025 are expected to be paid during the year ended December 31, 2026, except for \$2.0 million which is expected to be paid during the year ended December 31, 2027.

#### **Funds held for others**

We hold assets, primarily cash and cash equivalents, for third parties pursuant to fiscal agency and similar contractual arrangements. The assets held are classified as restricted and the liability is included in funds held for others.

#### **Debt issuance costs**

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the loans and notes payable and line of credit borrowings to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense, and is computed using an imputed interest rate on loans and notes payable with amortizing principal payments with scheduled draws and using the straight-line method for loans and notes payable with unscheduled draws and line of credit borrowings.

#### **Repayable grants and forgivable notes payable**

ECD accounts for grants that include repayment terms if compliance requirements are not met and notes that are forgivable if certain compliance requirements are met as loans and notes payable. ECD recognizes the grant income or the debt forgiveness income only when all compliance requirements have been met and no ongoing obligations exist at the end of the compliance period. For loans and notes payable that are forgiven in tranches, ECD recognizes the debt forgiveness income in accordance with the timing of the legal forgiveness of the loans and notes.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

#### **Allowance for loan loss sharing**

Bellwether bears a portion of the risk of loan losses for certain mortgages it originates and services based on the terms set forth in its agreements with investors. Bellwether maintains an allowance for loan loss sharing for loans at a level that, in management's judgment, is adequate to provide for estimated potential losses. This judgment is based upon various risk assessments including the value of the collateral, the operating results of the properties, the remaining years of available tax credits, the borrower's financial condition and Bellwether's loss experience with similar loans.

When Bellwether sells a loan under a loss sharing agreement, it undertakes an obligation to partially guarantee performance of the loan. At inception of a guarantee and on an ongoing basis, Bellwether, as the guarantor, is required to recognize a liability in an amount equal to the fair value of the obligation undertaken in issuing the guarantee. This noncontingent guaranty obligation is the fair value of Bellwether's obligation to stand ready to perform and the credit risk over the term of the guaranty. This guaranty is recognized as a liability and presented as a component of the allowance for loan loss sharing on the consolidated statements of financial position.

In addition to the noncontingent guaranty obligation, Bellwether records an estimate of the loss reserve for the current expected credit losses for all loans in the Fannie Mae at-risk servicing portfolio, the contingent guaranty, and presents this loss reserve as a component of the allowance for loan loss sharing on the consolidated statements of financial position. Changes in the estimated allowance for credit losses are recognized in provision for credit losses on the consolidated statements of activities.

#### **Guarantee obligations**

We account for our potential exposure to losses under guarantees by recording a liability equal to the estimated fair value of the guarantee based on the facts and circumstances existing at the time the guarantee is undertaken. Determining the estimated fair value of a contingent liability requires management to make significant estimates and assumptions, including among others, market interest rates, historical loss experience on similar guarantees, total financial exposure, probability of loss, and severity and timing of possible losses. The guarantee obligation is reduced as identified risks are deemed to have expired based upon the satisfaction of applicable measures or milestones, which reduce or eliminate the guarantee exposure.

#### **Income taxes**

Partners and certain affiliates consolidated in these financial statements are exempt from income taxes with respect to their charitable activities, except for unrelated business income. These tax-exempt entities did not have any unrelated business income during the year ended December 31, 2025 or 2024. There are no other tax positions which must be considered for disclosure. In addition, we are liable for federal and state income taxes with respect to some of our for-profit subsidiaries. These subsidiaries are primarily involved in our mortgage, LIHTC asset management, Opportunity Zone federal tax incentive, and certain nontax credit affordable housing investment fund activities. In addition, certain of our subsidiaries that act as the general partners of affordable housing properties have made Internal Revenue Code Section 168(h) elections, which causes them to be treated as taxable corporations. ECD is also subject to the Washington, DC Unincorporate Business Franchise Tax ("UBT"), which applies to unincorporated businesses operating in the District of Columbia. The provision for or benefit from income taxes has been recorded on the accompanying consolidated financial statements.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

We use the asset and liability method to record deferred income taxes. Under this method, assets and liabilities are recognized for the future tax attributable to differences between the financial statement carrying amounts and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. We only recognize deferred tax assets to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including tax planning strategies and other factors.

We recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will be sustained upon examination. If the more-likely-than-not threshold is met, the tax position is to be measured at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement.

Income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date of filing. While none of our income tax returns are currently being examined by the Internal Revenue Service, tax years since 2022 remain open for examination.

#### **Expense allocation**

Expenses by function have been allocated among program activities and support services based on an analysis performed by us. Staff time is reviewed for the allocation of other operating expenses except professional and contract services. Professional and contract services is allocated based on its nature or staff time, depending on the type of expense. Interest expense other than interest expense incurred on corporate borrowings, grant expense, and provision for loan loss sharing and credit losses are program activities by nature.

#### **Fair value of financial instruments**

Investments in marketable securities, MLHS, derivative assets and derivative liabilities, and certain investments in unconsolidated partnerships are recorded at fair value. The carrying amounts of other financial instruments approximate their fair values.

#### **Reclassifications**

Certain reclassifications have been reflected in the current year presentation for prior year balances. Such reclassifications are made to ensure our balances and amounts in our consolidated financial statements are classified similarly in all years presented and do not restate the prior year consolidated financial statements.

#### **Business combinations**

Upon the occurrence of a business combination, we generally allocate the purchase price of the entity based upon the fair value of the assets and liabilities acquired.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

Transaction costs arising from business combinations, such as broker fees, transfer taxes, legal, accounting, valuation, and other professional and consulting fees, are expensed as incurred.

#### **Changes in accounting principles**

Effective January 1, 2025, we elected the private-company alternative to amortize goodwill on a straight-line basis. Under this alternative, existing goodwill and any future goodwill arising from acquisitions will be amortized over ten years, or a shorter period if a more appropriate useful life is determined. In addition, we evaluate goodwill for impairment upon the occurrence of a triggering event. If a triggering event occurs, the estimated fair value of Enterprise is compared to its carrying amount, and an impairment loss is recognized for the excess of the carrying amount over fair value (if any), not to exceed the carrying amount of goodwill. The adoption of this alternative was applied prospectively as of the effective date of adoption.

The Financial Accounting Standards Board issued guidance permitting entities to elect the proportional amortization method for qualifying tax credit investments beyond low-income housing tax credits and other amendments to prior guidance. We evaluated the new guidance on January 1, 2025, but continue to account for the investment in entities that qualify for tax credits in accordance with the equity method of accounting as previously described. There have been no adjustments to these consolidated financial statements from this guidance.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

**Note 3 - Liquidity**

Our financial assets available to meet general expenditures over the next twelve months consist of the following at December 31 (\$ in thousands):

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents and investments	\$ 318,194	\$ 317,191
Restricted cash and cash equivalents and investments	882,123	239,240
Contributions receivable, net	22,423	32,761
Accounts and other receivables, net	194,681	206,274
Mortgage loans held for sale	408,448	290,484
Derivative assets	82,759	159,405
Investments in unconsolidated partnerships	323,880	145,864
Prepaid expenses and other assets, net	12,178	14,797
Loans and notes receivable, net	507,139	489,388
Mortgage servicing rights, net	<u>209,463</u>	<u>199,050</u>
 Total financial assets	 <u>2,961,288</u>	 <u>2,094,454</u>
Less amounts not available to be used within one year		
Restricted cash and cash equivalents and investments	(882,123)	(239,240)
Contributions receivable, net	(22,423)	(32,761)
Accounts and other receivables, net	(58,737)	(51,794)
Mortgage loans held for sale	(406,673)	(289,220)
Derivative assets	(78,329)	(154,158)
Investments in unconsolidated partnerships	(303,991)	(137,333)
Prepaid expenses and other assets, net	(4,227)	(756)
Loans and notes receivable, net	(493,673)	(481,477)
Mortgage servicing rights, net	<u>(172,540)</u>	<u>(169,039)</u>
 Total financial assets not available to be used within one year	 <u>(2,422,716)</u>	 <u>(1,555,778)</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 538,572</u>	 <u>\$ 538,676</u>

We consider general expenditures to be operating expenses that will be paid with funds that do not have donor restrictions. A portion of our overall operating expenses are supported by restricted contributions. In addition, a portion of our overall operating expenses are supported by cost reimbursements from Investment Funds and operating properties we manage as discussed in Note 1. Our overall operating expenses, which do not include grants, depreciation and amortization, and certain programmatic professional and contract services, are approximately \$519 million and \$481 million as of December 31, 2025 and 2024, respectively.

Reasons for differences between financial assets and amounts not expected to be available to be used within one year are as follows:

- A portion of accounts and other receivables are not expected to be collected, or when collected are expected to be used to pay back line of credit borrowings.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

- As disclosed in Note 7, only a small portion of MLHS represent trading gains expected to be earned when the loans are sold. The remaining proceeds from the sale of these loans will be used to pay back line of credit borrowings.
- Similar to MLHS, as disclosed in Note 9, only a portion of the derivative assets represent accrued fees which will be available to meet general expenditures.
- We bridge capital to our held for sale investments until they are sold to Investment Funds. This bridged capital is expected to be repaid to us and will then be available to meet general expenditures.
- The only financial assets included in prepaid expenses and other assets on the statements of financial position are capitalized predevelopment costs. The remaining balance of prepaid expenses and other assets does not include financial assets. We expect to be reimbursed for capitalized predevelopment costs paid to third parties upon closing of the related developments.
- Loans and notes payable could be drawn to finance a portion of loans and notes receivable that is currently funded with our cash, providing additional liquidity. In addition, a portion of loans and notes receivable is expected to be collected and is not expected to be used to pay loans and notes payable.
- A portion of MSRs are not expected to be collected.

We also maintain lines of credits for potential liquidity needs (see Note 17). Commitments on these lines totaled \$743 million and \$585 million at December 31, 2025 and 2024, respectively, with \$296 million and \$251 million undrawn as of December 31, 2025 and 2024, respectively. Of the undrawn amounts as of December 31, 2025 and 2024, \$145 million and \$121 million, respectively, may be used for general corporate purposes while the remaining capacity is generally used to fund our warehousing and lending activity.

#### **Note 4 - Restricted cash and cash equivalents**

The majority of restricted cash and cash equivalents consist of conditional and restricted contributions. In addition, restricted cash and cash equivalents consists of funds held for lending activity, restricted insurance, and funds held for others under escrow, partnership and fiscal agent agreements.

As disclosed in Note 1, EGA received the entirety of its \$599 million subaward in 2025 under the federal NCIF program. Due to the presence of federal cost principles, this subaward and all interest and investment income earned on the subaward funds is deemed conditional until allowable federal costs are incurred, or eligible loans are made in accordance with the subaward agreement. As of December 31, 2025, \$619 million of restricted cash and cash equivalents and deferred grant income on the consolidated statements of financial position represented the balance of conditional funds held related to this program.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

**Note 5 - Contributions receivable, net**

Contributions receivable at December 31 are summarized as follows (\$ in thousands):

	<u>2025</u>	<u>2024</u>
Unconditional promises expected to be collected in		
Less than one year	\$ 14,204	\$ 26,838
One year to five years	8,659	6,272
	<u>22,863</u>	<u>33,110</u>
Less unamortized discount	(440)	(349)
Total	<u>\$ 22,423</u>	<u>\$ 32,761</u>

**Note 6 - Accounts and other receivables, net**

Accounts and other receivables, net at December 31 are summarized as follows (\$ in thousands):

	<u>2025</u>	<u>2024</u>
Fees receivable, net	\$ 135,986	\$ 124,639
Bridge loans to unconsolidated partnerships	24,904	50,087
Interest receivable, net	15,178	15,185
Contracts receivable, net	10,999	8,749
Borrower bridge loans	7,614	7,614
Total	<u>\$ 194,681</u>	<u>\$ 206,274</u>

Fees receivable, net includes fees due from unconsolidated partnerships, development fees receivable, and other fees receivable.

Fees due from unconsolidated partnerships are primarily attributable to syndication and asset management fees earned related to Investment Funds in which we hold a general partner or managing member interest. The syndication and asset management fees are funded by the limited partners in the Investment Funds. As the entities that hold the limited partner interests are generally highly-rated financial institutions, we do not expect that any of the limited partners will fail to meet their obligations and we believe that credit risk with respect to these syndication and asset management fee receivables is not significant. The receivables are due on demand; however, we may elect to defer collection. At December 31, 2025 and 2024, fees due from unconsolidated partnerships totaled \$95.5 million and \$90.0 million, respectively.

Development fees receivable includes fees that have been billed and uncollected, or unbilled amounts for which revenue was recognized as services provided were transferred to the customer. These development fees are due generally from the customer's annual surplus cash and mature upon expiration of the LIHTC compliance period. As of December 31, 2025 and 2024, the balance of development fees receivable was \$36.1 million and \$31.5 million, respectively.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Other fees receivable which amounted to \$19.2 million and \$14.5 million as of December 31, 2025 and 2024, respectively, are primarily related to uncollected advisory service fees.

For the years ended December 31, 2025 and 2024, the allowance for loss on fees receivable was \$14.8 million and \$11.3 million, respectively.

As of December 31, 2025 and 2024, bridge loans to unconsolidated partnerships consists of short-term bridge loans and predevelopment loans. The bridge loans are made to unconsolidated partnerships, are noninterest-bearing and are generally due within six months of the loan date. The predevelopment loans are made to LIHTC projects, bear interest at rates ranging from 6.50% to 7.50% and are generally due within twelve months of the loan date.

Interest receivable primarily relates to interest earned on both long and short-term loans and notes receivable.

Contracts receivable primarily consists of amounts due from government entities.

As of December 31, 2025 and 2024, borrower bridge loans are short-term loans made by Bellwether to borrowers that are awaiting permanent financing and bear interest at rates at a one-month term Secured Overnight Financing Rate on the NY Federal Reserve Bank plus 395 basis points. The loans are secured by the respective underlying properties.

#### Note 7 - Mortgage loans held for sale

At December 31, MLHS were recorded at fair value and consist of the following (\$ in thousands):

	2025	2024
Unpaid principal of MLHS	\$ 400,667	\$ 285,443
Gains on MSRs	6,006	3,777
Trading gains on MLHS	1,775	1,264
Total	<u>\$ 408,448</u>	<u>\$ 290,484</u>

The unpaid principal balance of MLHS at December 31, 2025 and 2024 are current. The difference between the carrying amount of the MLHS and the unpaid principal balance consists of trading gains and gains on originated MSRs, both of which are included in gains from mortgage banking activities on the accompanying consolidated statements of activities.

The loans were sold at amounts equal to their carrying value subsequent to year end, less amounts attributable to the fair value of MSRs retained by Bellwether.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

**Note 8 - Gains from mortgage banking activities**

Gains from mortgage banking activities consist of the following for the years ended December 31 (\$ in thousands):

	2025	2024
Contractual loan origination and related fees, net	\$ 104,618	\$ 77,656
Originated MSRs	47,073	35,216
Trading gains	23,640	17,505
Derivative gains on outstanding commitments	11,172	10,631
<b>Total</b>	<b>\$ 186,503</b>	<b>\$ 141,008</b>

**Note 9 - Derivative instruments**

Bellwether's derivative assets and liabilities consist of the forward commitments to fund and sell 77 loans as of December 31, 2025, and to fund and sell 81 loans as of December 31, 2024, respectively. The amounts related to these commitments are summarized as follows (\$ in thousands):

December 31, 2025	Asset	Liability	Net
Interest rate lock	\$ 63,044	\$ 7,126	\$ 55,918
Forward sale	7,126	63,044	(55,918)
Accrued fees, net	4,430	-	4,430
MSRs	8,159	-	8,159
<b>Total</b>	<b>\$ 82,759</b>	<b>\$ 70,170</b>	<b>\$ 12,589</b>
December 31, 2024	Asset	Liability	Net
Interest rate lock	\$ 143,778	\$ 2,000	\$ 141,778
Forward sale	2,000	143,778	(141,778)
Accrued fees, net	5,247	-	5,247
MSRs	8,380	-	8,380
<b>Total</b>	<b>\$ 159,405</b>	<b>\$ 145,778</b>	<b>\$ 13,627</b>

The interest rate component of the net derivative relates to a forecasted movement in interest rates between the time of the commitment and the time of the loan funding and investor purchase. As Bellwether does not enter into speculative commitments, its interest rate exposure is completely hedged with respect to these commitments. The accrued fees relate to origination fees and trading gains, net of costs, that Bellwether expects to collect related to the commitments. The MSRs relate to the expected servicing right assets that will be realized upon the sale of the loans to the investors. Income related to these derivatives is included in gains from mortgage banking activities on the accompanying consolidated statements of activities.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

There were no transfers into or out of Level 3 assets, as defined in Note 26, during the year. Derivative instruments on mortgage banking activity classified as Level 3 assets were entered into during the year, with the exception of \$4.5 million and \$6.7 million in net derivative instruments associated with 35 and 52 commitments as of December 31, 2025 and 2024, respectively, that were entered into in previous years.

Additionally, one of ECD's affordable housing properties has entered into an interest rate swap to mitigate the economic impact of changes in interest rates on its variable rate mortgage loan. The swap expired on August 25, 2025. As of December 31, 2024, this derivative instrument had a fair value of a \$0.1 million liability.

#### Note 10 - Investments in unconsolidated partnerships

Investments in unconsolidated partnerships at December 31 are summarized as follows (\$ in thousands):

	2025	2024
Held for sale investments	\$ 276,483	\$ 102,709
Direct investments in affordable housing partnerships	16,775	13,364
Traditional investments in affordable housing	11,265	12,572
Social impact investments	230	438
Other investments	19,127	16,781
Total	<u>\$ 323,880</u>	<u>\$ 145,864</u>

#### Held for sale investments

We purchase and hold interests in properties for sale to Investment Funds. Such properties are multi-family low-income housing tax credit properties that are under construction. Their balance sheets consist primarily of land, building, and construction in progress balances, as well as any related mortgage debt. Operating activities for these entities are generally minimal.

As of December 31, 2025 and 2024, we held for sale investments in 13 and 7 properties, respectively. As of December 31, 2025, these held for sale investments are either in the predevelopment stage or under construction with total projected development costs to be \$695 million which will be financed with total projected debt of \$340 million and total committed equity capital and other sources of \$355 million. As of December 31, 2025, we have funded \$20 million and \$256 million will be funded at later dates as funding requirements are achieved. The amounts to be funded at a later date are included as capital contributions payable on the statements of financial position. As these investments had minimal to no operating activity during the year ended December 31, 2025, no summarized statement of operations is presented.

We acquire limited partnership interests (generally 99%) in these properties that are expected to earn tax credits and transfer those interests to Investment Funds for the investor(s) benefit. Our holding period for these investments is generally three to nine months and, during that period, we account for our interest using the equity method of accounting because the significant participating rights are held by the entities' third-party limited partners. Typically, due to the short holding period, the carrying amount of the investments approximates their fair value. However, if events or circumstances indicate that the carrying amount exceeds its estimated fair value, an investment will be written down to the

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

fair value. There were no impairment charges incurred for the years ended December 31, 2025 and 2024.

#### **Direct investments in affordable housing partnerships**

At December 31, 2025 and 2024, ECD holds the direct general partner interest in 79 and 76 real estate partnerships. During 2025 and 2024, ECD acquired the remaining limited partner interests in one and five properties, respectively, which resulted in them being consolidated into these financial statements as of December 31, 2025 and 2024, respectively (see Note 1). Additionally, during 2025 and 2024, four new general partner interests were acquired or created. During 2024, two such general partner interests were dissolved. As of December 31, 2025, ECD's general partner interest in these partnerships ranges from 0.001% to 10.009%. This is a limited partner interest in an affordable property in which ECD holds the general partner interest. As a result of guarantees ECD provides as the general partner to the limited partners, the investment in certain partnerships may be negative. These investments are accounted for on the equity method due to significant participating rights held by the entities' third-party limited partners. As of December 31, 2025 and 2024, ECD's net investment in these partnerships was \$15.7 million and \$12.8 million, respectively. Included in these net amounts as of December 31, 2025 and 2024 are negative investments of \$1.1 million and \$0.6 million, respectively, which are included in losses in excess of investments in unconsolidated partnerships on the consolidated statements of financial position.

As of December 31, 2025 and 2024, we wholly-owned four Investment Funds, and therefore consolidate them into these financial statements. Each of these Investment Funds holds direct, limited partner interests in operating partnerships that are either beyond the tax credit delivery period, or that have de minimis tax credits remaining. We account for these investments on the equity method, and had no investment balance at December 31, 2025 and 2024.

During 2025, we were assigned the limited partner interest in an Investment Fund in which we previously held the general partner interest, resulting in us wholly-owning and therefore consolidating the Investment Fund into these consolidated financial statements. Consolidation of this Investment Fund resulted in an increase of \$1.0 million in both cash and deferred gain which is included in other liabilities on the consolidated statements of financial position. In addition, during 2025, one of the Investment Funds dissolved resulting in the recognition of deferred gain of \$2.6 million, of which \$1.5 million is included in equity in income (losses) from unconsolidated partnerships and \$1.1 million included in other income on the consolidated statements of activities.

#### **Traditional investments in affordable housing partnerships**

We hold investor member interests ranging from 1.00% to 2.28% in three nontax credit affordable housing investment funds as of December 31, 2025 and 2024, respectively. We also serve as the managing member of these, and several other similar investment funds. The funds provide returns to investors through cash flow and residual proceeds, with an expected investment holding period of approximately seven years. We determined these entities are not VIEs and that we do not control these entities. We account for our interest in these entities on the equity method, subject to the specified investment period of the funds. Our investment in these funds totaled \$2.1 million and \$2.6 million as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the funds held 34 investments.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

The Enterprise Homes Preservation Fund, LLC ("EHPF") was formed as a single-investor Investment Fund, for the purpose of acquiring ownership interests in a portfolio of affordable housing properties located in the Mid-Atlantic region. EHPF holds an interest in 27 investments as of December 31, 2025 and 2024. Similar to the other nontax credit affordable housing investment funds, EHPF is expected to provide returns through cash flow and residual proceeds to ECD and the investor. ECD had a maximum capital commitment of \$21.1 million, all of which was contributed in a prior year, and a 29.64% general partner interest in EHPF. It was determined that the limited partner in EHPF can exercise substantive participating rights on the operations of EHPF, resulting in the presumption of control by the general partner being overcome. Therefore, ECD accounts for the interest in EHPF on the equity method. As of December 31, 2025 and 2024, ECD's investment in EHPF was \$9.2 million and \$10.0 million, respectively.

#### **Social impact investments**

Loan Fund holds limited partner interests in two partnerships that seek to address pressing social and environmental challenges through debt and equity investments. As of December 31, 2025 and 2024, Loan Fund's ownership interests in these investments are 0.72% and 1.60%. Based on the size of Loan Fund's ownership interests in each of the investments, along with the fact that Loan Fund is unable to influence the operating or financial decisions of the partnerships, these investments are not accounted for on the equity method, rather these investments are accounted for using the fair value method. As of December 31, 2025 and 2024, Loan Fund's investment in the two partnerships was \$0.2 million and \$0.4 million, respectively. Total capital commitments for both investments were \$1.9 million. As of December 31, 2025, there were no uncalled capital commitments.

#### **Other investments**

We hold between 1.44% and 24.09% limited partner interests in four and six Investment Funds as of December 31, 2025 and 2024, respectively. During 2025, two of the Investment Funds were dissolved resulting in a \$0.2 million gain included in other income on the consolidated statements of financial position. During 2024, we acquired the limited partner interest in one Investment Fund at a nominal cost. Each of these Investment Funds holds investments in operating partnerships that are either beyond the tax credit delivery period, or that have de minimis tax credits remaining. We determined that these entities are VIEs, and that we are not the primary beneficiary. Accordingly, we account for our interest in these Investment Funds on the equity method. The balance of our investment in these Investment Funds was \$0.2 million and \$0.4 million at December 31, 2025 and 2024, respectively.

We hold a 33.33% co-member interest in Rivermont Enterprise Capital, LLC ("REC"). This entity is the manager of a Qualified Opportunity Fund ("QOF") named Rivermont Enterprise Emergent Communities Fund I, LP ("REECF") which holds investments in Qualified Opportunity Zones as designated by the 2017 tax legislation commonly referred to as the Tax Cuts and Jobs Act. In addition, we hold a 10.00% limited partner interest in REECF. This fund's principal business activity is to be a QOF that invests in qualified assets in the Southeastern United States. We determined that these entities are VIEs, and that we are not the primary beneficiary as control is shared amongst the members. Accordingly, we account for our interest in these entities on the equity method and have fully funded our commitments to these entities. The balance of our investment in these entities was \$0.7 million and \$0.9 million at December 31, 2025 and 2024, respectively.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Loan Fund hold interests in four limited liability companies, three located in California and one located in Georgia. As of December 31, 2025 and 2024, Loan Fund's ownership interest in these investments ranges from 20% to 33.33%. The purpose of these limited liability companies is to provide capital for the acquisition, construction and/or rehabilitation of affordable housing and community development projects in specific locales in California and Georgia. The balance of Loan Fund's investment in these limited liability companies was \$2.2 million and \$1.6 million as of December 31, 2025 and 2024, respectively.

We hold several other investments, the majority of which represent Bellwether's ownership interests in limited liability companies with operations complementary to Bellwether's, that are accounted for on the equity method. The balance of our investment in these was \$16.0 million and \$13.9 million as of December 31, 2025 and 2024, respectively.

#### Investment Funds

We hold general partner or managing member interests of between 0.005% and 0.100% in Investment Funds. These Investment Funds invest in affordable housing and commercial properties that qualify for income tax credits. We determined that certain of these Investment Funds were VIEs, and that we were not the primary beneficiary. We account for our interest in these Investment Funds and other entities that we do not control on the equity method.

We obtained our first interest in one of these tax credit Investment Funds in 1988 and typically obtain an interest in several new Investment Funds each year. The limited partners in these Investment Funds are generally financial institutions that contribute committed capital to fund investments and meet working capital reserve requirements. Most of the real estate partnerships in which these Investment Funds invest must meet certain requirements to be eligible for tax credits. Once the credits are fully earned and tax compliance requirements are met, it is anticipated that the partnerships will be dissolved. Due to the funding obligations of our limited partners, management believes our exposure to loss in excess of our fees relating to these Investment Funds to be insignificant. However, under the equity method of accounting, we are required to record our share of losses from these Investment Funds, and our share of losses generally exceeds our nominal contributions resulting in negative investment balances in these Investment Funds. These negative balances are classified as losses in excess of investments in unconsolidated partnerships in the liability section of our consolidated statements of financial position. As the majority of our share of losses from these Investment Funds relate to noncash charges, such as depreciation expense, management believes that this liability generally will not result in a funding requirement by Enterprise and will likely reverse at dissolution of the Investment Funds.

#### Note 11 - Loans and notes receivable, net

Loans and notes receivable, net consist of the following at December 31 (\$ in thousands):

	<u>2025</u>	<u>2024</u>
Loans and notes to unaffiliated organizations	\$ 543,851	\$ 522,340
Allowance for credit losses	<u>(36,712)</u>	<u>(32,952)</u>
Loans and notes receivable, net	<u>\$ 507,139</u>	<u>\$ 489,388</u>

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

#### **Affordable housing and community revitalization loans**

Loan Fund makes loans to community-based not-for-profit and for-profit mission aligned affordable housing developers, community organizations and certain affiliates for the purpose of supporting low-income communities. These loans are generally collateralized by real estate. The majority of the loans have repayment terms requiring a balloon payment when construction or permanent financing on the underlying property is secured, the property is sold, or at the stated maturity date. As of December 31, 2025 and 2024, the net balance of these loans receivable totaled \$384.7 million and \$386.5 million, respectively. The sources of funds used and anticipated to be used to originate these loans are loans and notes payable, and net assets. Of these amounts, \$173.4 million and \$147.2 million as of December 31, 2025 and 2024, respectively, were due within one year. The loans are secured through a variety of collateral arrangements. As of December 31, 2025, 69% of these loans receivable were secured by first liens placed on the underlying real estate; 9% were unsecured or secured by subordinate liens; and 22% were secured by nonreal estate assignments, including developer fees, equity pay-ins, third-party credit enhancements or guarantees, and cash and investments. The loans bear interest at varying rates, which approximate 5.7% in the aggregate as of December 31, 2025 and 2024. In accordance with Loan Fund's historical practices, it is expected that some of these loans will be extended at maturity. Loan Fund's loan policy dictates that loans can only be extended if there is no material adverse change in credit, and repayment is not threatened.

Loan participations outstanding totaled \$141.0 million and \$107.7 million at December 31, 2025 and 2024, respectively.

The allowance for loan losses based on the above loans receivable portfolio was 4.21% and 4.01% as of December 31, 2025 and 2024, respectively.

In addition, we hold notes receivable that support affordable housing communities and their residents. These notes mature at various dates between 2026 and 2036, and bear interest at rates ranging from 1.0% and 7.25%. As of December 31, 2025 and 2024, the net carrying balance of these notes receivable was \$10.3 million and \$8.9 million, respectively.

As discussed in Note 1, EPF serves as a vehicle for providing unsecured working capital and predevelopment loans to socially and economically disadvantaged individual leaders in the real estate industry. EPF holds loans receivable that mature at various dates between 2026 and 2029. All loans receivable were unsecured and bear interest at 5.0% for the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, the net carrying balance of these loans receivable was \$22.0 million and \$25.8 million, respectively.

#### **Loans to affiliate affordable housing properties**

ECD also hold loans and notes receivable due from affordable housing properties which ECD developed and owns a general partner interest in. Payment terms on a majority of these loans and notes are generally annual payments of interest and principal due contingent on available cash flow with the balance due upon maturity. Some of these loans and notes are short-term construction financing loans or bridge loans that fund the affordable housing property until it closes on permanent financing, at which time the loans and notes mature. These loans and notes mature at various dates between 2026 and 2081, and bear interest at rates ranging from 0% to 8%.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

As of December 31, 2025 and 2024, 91% and 86%, respectively of the gross principal balance of these loans and notes to affordable housing properties was secured by either deeds of trust on the underlying property or other collateral. The remaining balances are unsecured as the loans and notes were generally made to fund operating deficits of the properties or provide grant funding and will be repaid with available cash flow. As of December 31, 2025 and 2024, the net carrying balance of these loans and notes totaled \$71.6 million and \$50.7 million, respectively.

#### Employee loans

Loans and notes receivable also includes notes to employees of Bellwether that were made to assist the employees acquiring equity interest in Bellwether. Principal and accrued interest on these notes are due in quarterly installments through the maturity dates which range from July 1, 2029 to January 1, 2036. The employee notes are secured by their member interest in Bellwether. As of December 31, 2025 and 2024, the outstanding balance of these notes totaled \$18.5 million and \$17.5 million, respectively.

#### Allowance for credit losses

Allowance for credit losses activity by portfolio segment for the years ended December 31 is summarized as follows (\$ in thousands):

	2025			2024		
	Housing	Other	Total	Housing	Other	Total
Allowance for credit losses						
Balance at beginning of year	\$ (19,977)	\$ (12,975)	\$ (32,952)	\$ (16,519)	\$ (6,304)	\$ (22,823)
Net change in allowance for credit losses	(5,056)	(1,920)	(6,976)	(7,408)	(7,365)	(14,773)
Write-offs	3,277	-	3,277	3,979	694	4,673
Recoveries	(61)	-	(61)	(29)	-	(29)
Balance at end of year	<u>\$ (21,817)</u>	<u>\$ (14,895)</u>	<u>\$ (36,712)</u>	<u>\$ (19,977)</u>	<u>\$ (12,975)</u>	<u>\$ (32,952)</u>

As of December 31, loans by credit quality indicator and portfolio segment consist of the following (\$ in thousands):

	2025			2024		
	Housing	Other	Total	Housing	Other	Total
Performing	\$ 348,790	\$ 152,571	\$ 501,361	\$ 327,680	\$ 156,674	\$ 484,354
Monitored	13,876	933	14,809	12,971	-	12,971
Impaired	<u>23,142</u>	<u>4,539</u>	<u>27,681</u>	<u>19,373</u>	<u>5,642</u>	<u>25,015</u>
Total	<u>\$ 385,808</u>	<u>\$ 158,043</u>	<u>\$ 543,851</u>	<u>\$ 360,024</u>	<u>\$ 162,316</u>	<u>\$ 522,340</u>

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

The following table shows the amortized cost based as of December 31, of the loans modified to borrowers experiencing financial difficulty, disaggregated by class of financing receivable and type of concession granted (\$ in thousands):

<b>Loan modifications made to borrowers experiencing financial difficulty</b>				
<b>Combination - Term extension and payment deferral</b>				
	<b>2025</b>		<b>2024</b>	
	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>
<b>Loan Type</b>				
Housing	\$ -	0.0%	\$ 3,332	0.9%
Other	933	0.6%	-	0.0%
<b>Total</b>	<b>\$ 933</b>		<b>\$ 3,332</b>	
<b>Payment deferral</b>				
	<b>2025</b>		<b>2024</b>	
	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>
<b>Loan Type</b>				
Housing	\$ 4,100	1.1%	\$ -	0.0%
Other	-	0.0%	-	0.0%
<b>Total</b>	<b>\$ 4,100</b>		<b>\$ -</b>	
<b>Payment modification</b>				
	<b>2025</b>		<b>2024</b>	
	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>	<b>Balance at 12/31</b>	<b>% of Total Receivables</b>
<b>Loan Type</b>				
Housing	\$ 1,963	0.5%	\$ -	0.0%
Other	-	0.0%	-	0.0%
<b>Total</b>	<b>\$ 1,963</b>		<b>\$ -</b>	

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty:

<b>Combination - Term extension and payment deferral</b>	
<u>Loan Type</u>	<u>Financial Effect</u>
Housing	Added 6 months to the term of the loan which included deferring all payments until the end of the loan term or sale of the underlying property.
Other	Added 15 months to the term of the loan, with the first 3 months of payment deferrals that were added to the end of the loan term.

<b>Payment deferral</b>	
<u>Loan Type</u>	<u>Financial Effect</u>
Housing	All interest payments on this loan were deferred to final repayment

<b>Payment modification</b>	
<u>Loan Type</u>	<u>Financial Effect</u>
Housing	All payments on this loan were converted from principal and interest to interest only, which reduced the monthly payment amount for the borrower.

An aging of past due loans by portfolio segment as of December 31 is as follows (\$ in thousands):

	2025			2024		
	<u>Housing</u>	<u>Other</u>	<u>Total</u>	<u>Housing</u>	<u>Other</u>	<u>Total</u>
Past due						
31-60 days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61-90 days	175	-	175	-	-	-
Over 90 days	19,019	4,539	23,558	5,140	4,709	9,849
Total	19,194	4,539	23,733	5,140	4,709	9,849
Current	366,614	153,504	520,118	354,884	157,607	512,491
Total	<u>\$ 385,808</u>	<u>\$ 158,043</u>	<u>\$ 543,851</u>	<u>\$ 360,024</u>	<u>\$ 162,316</u>	<u>\$ 522,340</u>

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

As of December 31, information on loans for which we are no longer accruing interest is as follows (\$ in thousands):

	2025			2024		
	Housing	Other	Total	Housing	Other	Total
Balance at beginning of year	\$ 19,373	\$ 5,642	\$ 25,015	\$ 14,562	\$ 3,101	\$ 17,663
Balance at end of year	\$ 23,142	\$ 4,539	\$ 27,681	\$ 19,373	\$ 5,642	\$ 25,015
Balance without an increased allowance for credit losses	\$ 10,354	\$ -	\$ 10,354	\$ 9,961	\$ -	\$ 9,961
Interest income recognized	\$ 122	\$ 20	\$ 142	\$ 290	\$ 20	\$ 310

**Note 12 - Mortgage servicing rights and obligations, net**

As of December 31, 2025 and 2024, Bellwether was servicing 5,499 and 5,465 loans, respectively, with outstanding principal balances of approximately \$57.7 billion and \$54.7 billion, respectively.

Changes in the carrying value of the MSR, net consist of the following for the years ended December 31 (\$ in thousands):

	2025	2024
MSRs, net beginning balance	\$ 199,050	\$ 193,864
MSRs originated, net of obligations recognized	47,073	35,216
MSRs purchased, net of obligations recognized	-	1,686
Settlement of prior year derivatives to MSRs	5,586	4,061
Amortization expense and write-offs of MSRs	(40,018)	(33,995)
Change related to MLHS	(2,228)	(1,782)
MSRs, net ending balance	\$ 209,463	\$ 199,050

Included in the \$209.5 million and \$199.1 million net MSR balances above are servicing contracts related to private/equity loans that are cancellable within 30-90 days and were initially recorded at fair value during previous mergers and acquisitions. Such loans have a net book value of \$4.3 million and \$5.6 million at December 31, 2025 and 2024, respectively. For financial statement presentation, these assets are classified with MSRs, as they are being amortized and accounted for similar to other MSRs in the overall pool.

Bellwether determines the value of servicing assets and liabilities by considering factors such as net future cash flows and discount rates. Management uses industry trends and portfolio data to make certain assumptions in determining discount rates that are commensurate with risks involved in the portfolio, market assumptions, prepayment and default rates and other relevant factors. Bellwether amortizes the initial carrying value of servicing assets and liabilities over the expected servicing period, generally 10 years, and assess for impairment or increased obligation annually, unless Bellwether has specific information giving rise to the need to make adjustments on a more current basis.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

At December 31, 2025 and 2024, the fair value of MSR's was \$329.8 million and \$324.1 million, respectively. Additionally, Bellwether services loans whose related servicing contracts are not recorded as MSR's as the contracts are cancellable by the borrowers within 30 to 90 days. The servicing rights to these loans have a fair value of \$63.3 million and \$58.9 million at December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, there was no impairment recognized on any MSR's.

The key economic assumptions used to estimate the fair value of MSR's were as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Weighted average discount rate	11%	11%
Weighted average contractual servicing life	240 months	244 months
Weighted average term to payoff	100 months	103 months

Estimated amortization of mortgage servicing rights currently held by Bellwether over each of the next five years and thereafter are as follows (\$ in thousands):

2026	\$ 36,913
2027	35,286
2028	33,403
2029	29,689
2030	24,294
Thereafter	<u>49,878</u>
Total	<u>\$ 209,463</u>

**Note 13 - Property and equipment, net**

Property and equipment, net, consist of the following at December 31 (\$ in thousands):

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 200,789	\$ 192,585
Land and land improvements	101,292	93,244
Software applications	66,324	62,877
Leasehold improvements	12,041	13,214
Furniture and fixtures	10,171	10,648
Office equipment	<u>7,448</u>	<u>7,347</u>
	398,065	379,915
Accumulated depreciation and amortization	<u>(102,907)</u>	<u>(92,037)</u>
Property and equipment, net	<u>\$ 295,158</u>	<u>\$ 287,878</u>

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

ECD controls several operating affordable housing properties and affordable housing properties in the predevelopment stage. These properties held significant building and improvements and land and land improvement balances as of December 31, 2025 and 2024.

The software applications assets consist of investments made in proprietary software applications developed for use in our various reporting segments.

Depreciation and amortization expense on property and equipment was \$14.7 million and \$15.3 million for the years ended December 31, 2025 and 2024, respectively.

#### **Note 14 - Leases**

We lease office spaces under office leases expiring in various years through 2034. At lease commencement, we recognize a lease liability which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease cost, initial direct costs, and lease incentives as applicable. We remeasure lease liabilities and related right-of-use assets whenever there is a change to the lease term or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

We determine an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, we have elected to utilize the practical expedient which allows not-for-profit entities to use a risk-free rate as the discount rate for all office leases. We use the US Treasury rate for periods that most closely align with the term of each lease at commencement as an approximation of a risk-free rate. The weighted average discount rate used to measure our lease liabilities at December 31, 2025 and 2024 was 2.83% and 2.67%, respectively.

For accounting purposes, the leases commence on the earlier of the date upon which we obtain control of the underlying office space, or the contractual effective date of the lease. Certain leases have renewal options which are exercisable by us and, when exercised, usually provide for rental payments through the extension period at then current market rates or pre-determined rental amounts. Unless we determine it is reasonably certain that the term of a lease will be extended, the term of the lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option is reasonably certain, the lease term is measured as ending at the end of the renewal period. The weighted average remaining lease term for our office leases as of December 31, 2025 and 2024 was 5.9 years and 6.5 years, respectively.

Lease expense for leases on which we are the lessee is recognized on a straight-line basis over the lease term with variable lease payments recognized in the period those payments are incurred. Total lease expense for the years ended December 31, 2025 and 2024 was \$7.5 million and \$7.1 million, respectively, and is included in occupancy expense on the statement of functional expenses.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

Future maturities of our lease liabilities are as follows (\$ in thousands):

2026	\$	8,641
2027		8,228
2028		7,390
2029		5,438
2030		4,020
Thereafter		<u>8,861</u>
Total lease payments		42,578
Less imputed interest		<u>(3,303)</u>
		<u>\$ 39,275</u>

**Note 15 - Intangible assets, net and goodwill, net**

Through previous acquisitions, we acquired the rights to receive certain fees from affordable housing properties, many in which ECD holds the general partner interest. These include rights to property management fees, community service fees, incentive management fees, and other miscellaneous fees. These intangible assets are shown net of the related liabilities on our consolidated statements of financial position. The related liabilities represent anticipated costs we expect to incur in performing services to earn these fees. The intangible assets related to these fees are not amortized, rather reviewed for impairment annually, and whenever a triggering event occurs. As of December 31, 2025 and 2024, the balance of these intangible assets was \$4.6 million.

In addition to the aforementioned intangible assets with indefinite lives, we have also recognized several intangible assets with finite lives that are being amortized, which consist of the following at December 31 (\$ in thousands):

	2025		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Ground leases	\$ 5,074	\$ 505	\$ 4,569
Payment in lieu of taxes	2,051	481	1,570
Borrower relationships	5,250	4,283	967
Trade name	100	90	10
In-Place leases	5,309	5,304	5
Rights to development fees	<u>1,782</u>	<u>1,782</u>	<u>-</u>
Total	<u>\$ 19,566</u>	<u>\$ 12,445</u>	<u>\$ 7,121</u>

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

	2024		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Ground leases	\$ 5,532	\$ 488	\$ 5,044
Payment in lieu of taxes	2,051	380	1,671
Borrower relationships	5,520	3,848	1,672
Trade name	100	70	30
In-Place leases	5,309	5,159	150
Rights to development fees	1,782	1,782	-
<b>Total</b>	<b>\$ 20,294</b>	<b>\$ 11,727</b>	<b>\$ 8,567</b>

Amortization expense on these intangible assets was \$1.0 million and \$3.7 million for the years ended December 31, 2025 and 2024, respectively.

As part of acquisitions disclosed in Note 1, ECD recognized several intangible assets including payments in lieu of taxes and in-place leases. All intangible assets, other than goodwill, as of December 31, 2025 and 2024 are included in intangible assets, net on the consolidated statements of financial position.

Bellwether recognized goodwill of \$23.6 million related to mortgage companies acquired in previous years. As part of Bellwether's asset purchases of First Southern and Abundance Capital in 2024, Bellwether has recognized borrower relationships of \$0.8 million and goodwill of \$4.5 million (see Note 1). Goodwill was recognized due to expected synergies from combining operations of these companies with that of Bellwether. As disclosed in Note 1, effective January 1, 2025, we have elected the private-company alternative to amortize goodwill on a straight-line basis. The goodwill recognized prior to January 1, 2025, will all be amortized over 10 years beginning on the effective date of adoption. Amortization expense on goodwill was \$2.8 million for the year ended December 31, 2025. Goodwill is summarized as follows at December 31 (\$ in thousands):

	2025		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Goodwill	\$ 28,190	\$ 2,819	\$ 25,371

  

	2024		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Goodwill	\$ 28,190	\$ -	\$ 28,190

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

Future amortization expense with respect to intangible assets and goodwill is estimated as follows (\$ in thousands):

	<u>Intangible Assets</u>		<u>Goodwill</u>
2026	\$ 770	\$	2,819
2027	351		2,819
2028	332		2,819
2029	193		2,819
2030	166		2,819
Thereafter	<u>5,309</u>		<u>11,276</u>
Total	<u>\$ 7,121</u>	\$	<u>25,371</u>

**Note 16 - Income taxes**

As described in Note 1, Investment is a 501(c)(4) social welfare organization. While Investment's LIHTC syndication, development and NMTC activities are exempt from income taxes, other activities are taxable including our mortgage, LIHTC asset management, Opportunity Zone federal tax incentive, and certain nontax credit affordable housing investment fund operations. Investment's taxable and tax-exempt change in net assets without donor restrictions before income taxes was \$56.1 million and \$19.5 million, respectively, for the year ended December 31, 2025. During the year ended December 31, 2024, Investment's taxable and tax-exempt change in net assets was \$40.0 million and (\$15.0) million, respectively.

The income tax provision consists of the following for the years ended December 31 (\$ in thousands):

	<u>2025</u>		<u>2024</u>
Current tax expense	\$ 1,200	\$	4,881
Deferred tax expense	<u>174</u>		<u>(242)</u>
Income tax expense	<u>\$ 1,374</u>	\$	<u>4,639</u>

Current income tax expense includes federal corporate and state income tax, and Washington, DC UBT. Investment benefits from the allocation of tax credits from certain tax credit partnerships in which it holds an interest. This allocation of tax credits reduces our current income tax expense.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

Income tax expense is reconciled to the amount computed by applying the federal corporate income tax rate of 21% for the years ended December 31 as follows (\$ in thousands):

	2025	2024
Tax at statutory rate on income before taxes	\$ 15,880	\$ 5,258
State income tax, net of federal income tax benefits	948	1,362
Change in valuation allowance	2,693	1,581
True up to deferred tax assets and liabilities	169	(593)
Change in tax rates	52	215
Provision to return	(1,094)	189
Tax effect at statutory rate on income not subject to income taxes	(4,102)	3,139
Tax credits	(4,941)	(436)
Tax effect at statutory rate on income related to noncontrolling interest	(8,696)	(5,628)
Other	465	(448)
	<u>\$ 1,374</u>	<u>\$ 4,639</u>

Deferred tax liabilities, net consist of the following at December 31 (\$ in thousands):

	2025	2024
Total deferred assets	\$ 4,793	\$ 2,236
Total deferred liabilities	(27,486)	(24,622)
Deferred liabilities, net	<u>\$ (22,693)</u>	<u>\$ (22,386)</u>

The deferred tax assets relate primarily to deferred compensation, deferred revenue and net operating loss carryforwards. Deferred tax liabilities consist primarily of the tax effects of MSR revenue and amortization expense, which are recognized for book purposes but not for income tax purposes until the related servicing activities are performed in subsequent years, accelerated depreciation for tax purposes, book to tax differences in investments in unconsolidated partnerships, installment sale elections to recognize gain over time for tax purposes and deferred fees.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Net operating losses consists of the following tax effected amounts at December 31 (\$ in thousands):

	2025		
	ECI	ECD	Total
Federal net operating loss carryforwards	\$ 1	\$ 8,513	\$ 8,514
State net operating loss carryforwards	2,182	1,594	3,776
Valuation allowance	2,183	5,562	7,745
	2024		
	ECI	ECD	Total
Federal net operating loss carryforwards	\$ 1	\$ 5,916	\$ 5,917
State net operating loss carryforwards	2,039	1,159	3,198
Valuation allowance	2,040	2,943	4,983

These federal and state loss carryforwards will expire between 2034 and 2043, with some having an indefinite life carryforward. A valuation allowance has been established due to the uncertainty of realizing certain of these federal and state loss carryforwards and certain other deferred tax assets. Based on projections of future taxable income, management believes that it is more likely than not that the deferred tax assets, net of any valuation allowance, will be realized. The amount of deferred tax assets considered realizable could be reduced if estimates of future taxable income are reduced.

#### Uncertain tax positions

We conduct business throughout the United States and, as a result, we file income tax returns in federal and various state jurisdictions. A subsidiary of Investment is currently under examination by the Wisconsin Department of Revenue for state income tax. Management does not expect the outcome of this examination to have a material effect on the consolidated financial statements. The statute of limitations has not yet expired on several of our tax filings. We also remain subject to examination of all of our federal income tax returns for 2022 and subsequent years. We also generally remain subject to the examination of our various state income tax returns for a period of three to four years from the date the return was filed. Our most significant state tax exposure is within Maryland, the location of our headquarters.

The filing of income tax returns requires management to assess and measure uncertain tax positions. Upon examination of tax positions taken, management concluded that all positions taken on its tax returns exceed the more-likely-than-not threshold and expects to realize the benefit of all positions if examined by a taxing authority. As a result, management concluded that there were no uncertain positions that required measurement in or adjustment to our consolidated financial statements.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

**Note 17 - Indebtedness**

A summary of indebtedness at December 31 is as follows (\$ in thousands):

	2025	2024
Loans payable	\$ 787,465	\$ 757,971
Credit line agreements	434,152	321,059
Debt issuance costs	(1,356)	(1,428)
 Total	 \$ 1,220,261	 \$ 1,077,602

**Loans payable**

Loan Fund borrows to fund its lending activities. Total loans payable, net associated with these borrowings as of December 31, 2025 and 2024, were \$332.7 million and \$321.8 million, respectively. Debt issuance cost, net associated with these borrowings as of December 31, 2025 and 2024, were \$0.2 million. These loans payable bear interest at rates which vary from 0% to 4.15% and are repayable through 2047. Most of these borrowings are structured as unsecured. Three of these loans require that Loan Fund pledge collateral. Based on the requirements of the lender, Loan Fund pledges the underlying loans receivable, government and agency securities, and/or cash to collateralize draws. Secured loans payable were \$35.2 million and \$36.3 million as of December 31, 2025 and 2024, respectively. Most of these loans payable reflect borrowings that have been restricted by the lender for lending to various community development organizations. Some borrowings are further restricted for use in certain locations or in certain sectors and/or initiatives. Some of these loans payable may be utilized for working capital purposes. Additionally, certain of these loans payable contain covenants that require Loan Fund to provide reporting on a periodic basis and to meet and maintain specific financial ratios.

Certain of these loans payable are considered Equity Equivalent ("EQ2") investments. EQ2 investments are fully subordinated, unsecured obligations that carry a fixed interest and have a rolling maturity. The lender cannot accelerate repayment unless an uncured event of default exists. As of December 31, 2025 and 2024, loans payable included \$38.0 million and \$33.0 million of EQ2 investments, respectively.

Loan Fund also offers an Impact Note program to individuals, including employees and board members, and institutions. Investments are at a minimum of \$5,000 for 1 to 15 years at interest rates of 0% to 4%. As of December 31, 2025 and 2024, the amounts outstanding under the program were \$78.0 million and \$68.6 million, respectively. As of December 31, 2025 and 2024, the balance due to employees and board members was \$16,000 and \$15,000, respectively.

Total interest cost for Loan Fund borrowings was \$10.1 million and \$8.8 million for the years ended December 31, 2025 and 2024, respectively. Amortization of debt issuance costs for these borrowings amounted to \$43,000 for the years ended December 31, 2025 and 2024.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Furthermore, we entered into an unsecured \$30 million note payable with two lenders. As of December 31, 2025 and 2024, the note carries a fixed rate of 3.48% and a maturity date in November 2028. The outstanding balance as of December 31, 2025 and 2024 was \$18.1 million and \$19.4 million, respectively. Total interest cost under this note payable was \$0.7 million for the years ended December 31, 2025 and 2024.

Bellwether entered into unsecured notes payable in conjunction with the redemption of certain noncontrolling members' interest in Bellwether. The notes bear interest at a fixed rate of 4.0% or 6.0% and are repayable through October 1, 2026 and March 1, 2030. The outstanding balance as of December 31, 2025 and 2024 was \$5.4 million and \$5.7 million, respectively. Total interest cost under these notes was \$0.1 million for the years ended December 31, 2025 and 2024.

ECD and an affordable housing property that ECD controls hold forgivable notes. ECD lends any funds from the forgivable notes to the LIHTC properties in which it holds a general partner interest (see Note 10). These notes are secured by deeds of trust, and bear interest at rates which vary from 0% to 1%. The carrying value of these notes payable as of December 31, 2025 and 2024 was \$16.2 million and \$11.9 million, respectively. The borrowings will be forgiven if the underlying LIHTC properties maintain their respective compliance requirements for periods ranging from 15 to 40 years. The forgiveness of these notes occurs either at the end of the compliance periods, or in tranches throughout the compliance periods. Certain of these notes were recorded at fair value as part of previous acquisitions, resulting in actual contractual obligations under these notes payable exceeding their carrying value. Total contractual obligations under these loans payable as of December 31, 2025 and 2024 was \$29.2 million and \$24.9 million, respectively. Based on the history of compliance by the properties in which ECD holds a general partner interest, no future payments are expected related to these notes.

ECD has an unsecured term note with JPMC. The note bears interest at a fixed rate of 3% with a maturity date in December of 2028. The outstanding balance as of December 31, 2025 and 2024 was \$10.0 million.

Loans held by affordable housing properties that ECD controls bear interest at rates which vary from 0% to 12% and are repayable through 2057. Most of these borrowings are secured by the underlying real estate. The carrying value of these loans payable as of December 31, 2025 and 2024 was \$280.7 million and \$274.1 million, respectively. Debt issuance cost, net associated with these borrowings as of December 31, 2025 and 2024 was \$0.5 million and \$0.8 million, respectively. These loans were recorded at fair value as part of previous acquisitions, resulting in actual contractual obligations under these loans payable exceeding their carrying value. Total contractual obligations under these loans payable as of December 31, 2025 and 2024 was \$293.7 million and \$286.7 million, respectively.

Total interest cost on borrowings ECD and its controlled affordable housing properties holds was \$11.7 million and \$10.4 million for the years ended December 31, 2025 and 2024, respectively. Amortization of debt issuance costs for these borrowings amounted to \$0.4 million and \$0.3 million for the years ended December 31, 2025 and 2024, respectively.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

EPF entered into loans payable to fund its lending activities. EPF has two commitments from two different lenders for a total of \$50 million. The loans bear interest at 2% and are repayable through 2031. Under the terms of these agreements, interest is due quarterly with one third of the outstanding principal due on June 30, 2029, 2030, and 2031. The total outstanding balances on these loans as of December 31, 2025 and 2024 was \$46.4 million and \$46.5 million, respectively. Total interest cost under these notes was \$0.9 million and \$0.7 million for the years ended December 31, 2025 and 2024, respectively.

#### **Credit line agreements**

Bellwether has two credit facilities with KeyBank National Association ("KeyBank"). They are subject to an Amended and Restated Master Participation and Facility Agreement (the "Agreement") with KeyBank. Under the terms of the Agreement, Bellwether has agreed to sell beneficial ownership interest in eligible loans funded under the Agreement to KeyBank subject to KeyBank's approval. The Agreement is used to fund certain of Bellwether's MLHS. At December 31, 2025 and 2024, the borrowing capacity under the Agreement was \$200 million and may be expanded in size up to \$300 million. Interest is payable at a fluctuating interest rate, which was 5.035% and 5.685% at December 31, 2025 and 2024, respectively, and is secured by KeyBank's participation in the eligible loans funded under the Agreement. At December 31, 2025 and 2024, the outstanding balance under these facilities was \$52.2 million and \$70.3 million, respectively. Debt issuance costs, net of accumulated amortization, totaled \$0.1 million as of December 31, 2025 related to this borrowing. Bellwether expects to extend the Agreement at similar terms before the maturity date of July 1, 2026.

Bellwether also has a separate Master Participation and Facility Agreement (the "Bridge Agreement") with KeyBank. Under the terms of the Bridge Agreement, Bellwether has agreed to sell beneficial ownership interest in eligible loans that will serve as bridge loans pending closing of permanent refinancing, funded under the Bridge Agreement to KeyBank subject to KeyBank's approval. At December 31, 2025 and 2024, the borrowing capacity was \$60 million. Interest is payable at a fluctuating interest rate, which was 6.660% and 7.310% at December 31, 2025 and 2024, respectively, and is secured by KeyBank's participation in the eligible loans funded under the Bridge Agreement. A closing fee is payable with the purchase of each participation at the greater of \$7,500 or 15bps of the purchase price. At December 31, 2025 and 2024, there were no outstanding borrowings. Bellwether expects to extend the Bridge Agreement at similar terms before the maturity date of July 1, 2026.

Bellwether has a Revolving Credit and Security Agreement with Fifth Third Bank, National Association to be used for corporate purposes. The facility is secured by the fair value of Bellwether's Fannie Mae MSR's. At December 31, 2025, the borrowing capacity was \$40 million and may be expanded in size up to \$55 million. At December 31, 2024, the borrowing capacity was \$30 million. Interest is payable at a fluctuating interest rate, which was 6.250% and 6.875% at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the outstanding balance under this facility was \$8.0 million and \$12.0 million, respectively. Debt issuance costs, net of accumulated amortization, totaled \$0.2 million as of December 31, 2025 related to this borrowing. The facility matures on March 15, 2030.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

In addition, Bellwether has a Warehousing Credit and Security Agreement ("Security Agreement") with PNC Bank, National Association ("PNC"). Under the terms of the Security Agreement, Bellwether has agreed to sell beneficial ownership interest in eligible loans funded under the Security Agreement to PNC subject to PNC's approval. At December 31, 2025 and 2024, the available warehouse was \$175 million. The warehouse may be expanded in size up to \$400 million, in \$25 million increments for a period of 60 days. The Security Agreement is used to fund MLHS, and is secured by PNC's participation in the eligible loans funded under the Security Agreement. Interest is payable at a fluctuating interest rate, which was 5.038% and 5.878% at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the outstanding balance under this facility was \$89.6 million and \$74.8 million, respectively. Debt issuance costs, net of accumulated amortization, totaled \$0.1 million and \$0.3 million as of December 31, 2025 and 2024, respectively, related to this borrowing. Bellwether expects to extend the Agreement at similar terms before the maturity date of September 20, 2026.

Bellwether has a Master Repurchase Agreement ("Repurchase Agreement") with JPMC. Under the terms of the Repurchase Agreement, Bellwether has agreed to sell beneficial ownership interest in eligible loans funded under the Repurchase Agreement to JPMC subject to JPMC's approval. As of December 31, 2025 and 2024, the available facility was \$850 million and \$750 million uncommitted, respectively. The Repurchase Agreement will be used to fund MLHS, and is secured by JPMC's participation in the eligible loans funded under the Repurchase Agreement. Interest will be payable at a fluctuating interest rate, which was 5.338% and 6.083% at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the outstanding balance under this facility was \$258.9 million and \$140.4 million, respectively. Bellwether expects to extend the Agreement at similar terms before the maturity date of December 15, 2026.

We utilize an unsecured credit facility for corporate purposes and the issuance of letters of credit with a maximum commitment of \$50 million. Interest is payable at a fluctuating interest rate, which was 5.870% and 6.490% at December 31, 2025 and 2024, respectively. Borrowings on this facility mature on November 2, 2027, with any letters of credit on the facility maturing on November 2, 2029. We had \$2.2 million and \$3.2 million in letters of credit issued through this facility as of December 31, 2025 and 2024, respectively. Except for these letters of credit, there were no outstanding borrowings under this facility at December 31, 2025 and 2024. Debt issuance costs, net of accumulated amortization totaled \$0.3 million and \$0.1 million as of December 31, 2025 and 2024, respectively, related to this borrowing.

To finance predevelopment spending and acquisitions, ECD has entered into two unsecured revolving line of credit agreements. The borrowing capacity of the predevelopment lines totaled \$2.0 million as of December 31, 2025 and 2024. The total outstanding balance was \$2.0 million as of December 31, 2025 and 2024. The interest rates on the lines are 2.5% and 2.0%, respectively, and they expire in 2027 and 2028, respectively.

To finance ECD's general operating needs and letters of credit, ECD entered into an unsecured working capital line of credit agreement with M&T Bank with a maximum commitment of \$25 million. Interest is payable at a fluctuating interest rate which was 5.937% and 6.625% at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, the outstanding balance on this working capital line was \$21.6 million. Additionally, ECD had \$1.0 million in letters of credit issued through this facility as of December 31, 2025. The line of credit agreement expires in November 2028.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

To finance solar energy spending on affordable housing properties, ECD entered into an unsecured revolving line of credit agreement during 2025 with a maximum commitment of \$4.5 million. Interest is payable at a fluctuating interest rate which was 2.5% at December 31, 2025. At December 31, 2025, the outstanding balance on this line was \$1.9 million. The line of credit agreement expires in June 2030.

Total interest cost under these credit facilities was \$21.5 million and \$20.7 million for the years ended December 31, 2025 and 2024, respectively. Amortization of debt issuance costs amounted to \$1.0 million and \$0.8 million for the years ended December 31, 2025 and 2024, respectively, and is included in interest expense on the consolidated statements of activities. As noted throughout Note 17, while a significant portion of these borrowings are contractually due in 2026, it is expected the agreements will be extended before their contractual due dates.

All of these credit facilities have certain covenants and restrictions. The most restrictive of these limits the levels of debt we may incur and requires us to maintain specified minimum levels of debt service coverage and net worth. We have maintained compliance with these restrictions, and they have not limited our normal business activities.

#### Future contractual maturities

Future contractual maturities of indebtedness, not including forgivable notes, for each of the next five years and thereafter are summarized as follows (\$ in thousands):

2026	\$	471,663
2027		90,358
2028		126,036
2029		71,236
2030		54,159
Thereafter		<u>404,966</u>
Total	\$	<u>1,218,418</u>

The debt due in 2026 consists primarily of borrowings related to loan facilities that are used to fund outstanding loans and notes receivable and MLHS. We expect to make payments at or before the scheduled maturity dates of the related loans from proceeds from the collection of loans and notes receivable and MLHS, the refinancing of loan facilities, or through the use of operating cash.

#### Note 18 - Allowance for loan loss sharing

As a Fannie Mae DUS lender, Bellwether assumes responsibility for a portion of any loss that may result if borrowers default on loans Bellwether services. Under a loss-sharing formula with Fannie Mae, Bellwether is generally responsible for funding 100% of the mortgagor's delinquency up to the first 5% of the unpaid principal balance and a portion of any additional losses to a maximum of 20% of the original principal balance. Loans serviced under the Fannie Mae DUS program totaled \$14.4 billion and \$12.2 billion as of December 31, 2025 and 2024, respectively.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

As a U.S. Department of Agriculture ("USDA") lender, Bellwether is responsible for 10% of any loss in the event a borrower defaults on loans originated in the Rural Housing Services Section 538 Guaranteed Rural Rental Housing Program. Loans serviced under the USDA program totaled \$278.2 million and \$248.7 million as of December 31, 2025 and 2024, respectively.

In addition, there are other programs in which we assume responsibility for a portion of loan losses. Loans serviced under the USDA program totaled \$6.0 million and \$6.2 million as of December 31, 2025 and 2024, respectively.

Allowance for loan loss sharing under all programs was \$58.8 million and \$49.0 million at December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, there were no reserves related to specific loans included in the allowance for loan loss sharing provision.

#### Note 19 - Deferred revenue

Deferred revenue consists of the following at December 31 (\$ in thousands):

	2025	2024
Syndication fees	\$ 12,720	\$ 11,762
Asset management and other fees	6,390	3,063
Total	<u>\$ 19,110</u>	<u>\$ 14,825</u>

Deferred revenue consists of amounts we have recorded related to our asset management or other obligations to be performed in future periods, or due to certain contingencies. In general, revenue deferrals with respect to the syndication fees consist of estimated costs expected to be incurred and paid by us in managing tax credit Investment Funds in which we own a 0.005% to 0.100% general partner or managing member ownership interest. Our exposure could be greater than the amount of revenue deferred. During the years ended December 31, 2025 and 2024, we amortized \$0.8 million and \$0.7 million, respectively, of syndication deferred revenue into asset management fees.

We provide asset management, development, and other services to third parties with respect to affordable housing and commercial real estate in emerging and under-served communities. Some of these fees for these services are prepaid by the third parties for services to be performed in the future. The remaining deferral of asset management and other fees consists of various advisory service agreements.

#### Note 20 - Related party transactions

We provide syndication, asset management, development, property management, and other advisory services to certain affiliated entities in which we, or one of our subsidiaries, own an interest and are compensated for these services. For the years ended December 31, 2025 and 2024, we recorded revenue of \$168.6 million and \$141.0 million, respectively, for such services.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

We also manage five credit facilities as of December 31, 2025, two of which was entered into during 2025, on behalf of select Investment Funds that are admitted as borrowers to the facility. The maximum combined borrowing capacity under all five credit facilities is \$301.1 million. Borrowings are secured by capital commitments payable from the investors in these Investment Funds with repayments to come from investor capital contributions. We manage these facilities on behalf of the Investment Funds but are not considered a borrower. As such, our assets are not provided as collateral for the facilities and we do not provide guarantees for repayment of borrowings. However, we pay certain interest and fees associated with these facilities. Interest related to borrowings is payable at fluctuating interest rates which range from 5.472% to 5.722%. Interest costs incurred by us for these facilities totaled \$4.1 million and \$1.7 million for the years ended December 31, 2025 and 2024, respectively. These costs are included in other general and administrative expenses in our consolidated statements of activities. One of these facilities with borrowing capacity of \$22.1 million expired in January of 2026 and was not renewed. The other four facilities are set to mature between July 2026 and February 2027, at which time we expect to extend them all at similar terms. Total outstanding borrowings under these facilities were \$143.1 million and \$143.9 million as of December 31, 2025 and 2024, respectively.

#### Note 21 - Restrictions and limitations on net assets

During the years ended December 31, 2025 and 2024, net assets released from donor restrictions and the events or transactions which caused the restrictions to expire total \$87.4 million and \$98.0 million, respectively, for expenses incurred for donor specified purposes or time restrictions.

Net assets with donor restrictions at December 31 consist of the following (\$ in thousands):

	2025	2024
Gifts and other unexpended revenue restricted to specific programs or locations	\$ 109,573	\$ 116,626
Contributions receivable due in future periods, net	22,423	32,761
Total	<u>\$ 131,996</u>	<u>\$ 149,387</u>

#### Note 22 - Pension and savings plans

##### Qualified defined contribution plan

We sponsor a qualified defined contribution plan available to substantially all our employees. This plan allows employees to make pre-tax contributions pursuant to Section 401(k) of the Internal Revenue Code and provides for employer matching contributions for eligible employees in accordance with the provisions of this plan that vest ratably over three years. After three years of service, all future matching contributions are automatically vested. Matching contributions of approximately \$6.6 million and \$6.4 million were made during the years ended December 31, 2025 and 2024, respectively. The plan also includes a defined contribution provision for a discretionary contribution to be made by the employer. We contribute an amount equal to a percentage, as defined in the plan agreement, of the gross compensation of each employee. Contributions under this provision vest ratably over three years. After three years of service, all future contributions are automatically vested. Total expenses under this plan totaled \$4.2 million for the years ended December 31, 2025 and 2024.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

#### Nonqualified benefit plans

We also have a nonqualified deferred compensation plan covering certain of Investment's employees. This plan provides for employer annual discretionary contributions. Covered employees were previously able to make pre-tax contributions of up to \$25,000 annually. Under this plan, contributions made prior to 2011 are not paid to the covered employees until their separation from Enterprise. Beginning in 2011, employer contributions now vest after three years and upon vesting, the employer contributions are paid to the covered employees. Such payments from plan assets to covered employees began in 2014. Additionally, employees are vested and paid immediately if they are at least 55 years old and have five years or more of service to Enterprise. Effective January 1, 2021, the plan has been terminated and contributions to this plan are no longer being made.

Compensation deferrals and employer contributions are invested on behalf of the participants in various participant directed investment options. The investments amounted to \$0.9 million and \$2.0 million at December 31, 2025 and 2024, respectively, and are included in restricted investments on the consolidated statements of financial position. Obligations to the plan participants at December 31, 2025 and 2024 totaled \$0.9 million and \$2.0 million, respectively, and are included in accounts payable and accrued expenses in the consolidated statements of financial position. The vested amounts of these obligations were \$0.9 million and \$2.0 million at December 31, 2025 and 2024, respectively.

#### Note 23 - Commitments and contingencies

Commitments and contingencies not reflected in the consolidated statements of financial position at December 31, 2025 are indicated below:

#### Net worth and liquidity requirements

As discussed in Note 1, Bellwether is an FHA Title II Non-Supervised Mortgagee, and as such, is required under this program to maintain adjusted net worth of \$2.5 million, of which no less than \$0.5 million must be liquid assets. As a Ginnie Mae issuer of mortgage-backed securities, the adjusted net worth required is \$1 million plus 1% of the outstanding principal balance of securities and commitment authority in excess of \$25 million up to \$175 million, plus 0.2% in excess of \$175 million. The Ginnie Mae program also requires liquid assets of 20% of the adjusted net worth. At December 31, 2025, Bellwether met these requirements with an adjusted net worth of \$231.4 million, and \$27.4 million of such liquid assets.

Additionally, under the Fannie Mae DUS program, a subsidiary of Bellwether is required to maintain acceptable net worth and liquidity. The subsidiary's net worth requirement at December 31, 2025, which is a function of its portfolio balance at December 31, 2025, is \$70.6 million. At December 31, 2025, the subsidiary had adjusted net worth of \$237.9 million applicable to this requirement and therefore met the requirement. At December 31, 2025, the subsidiary's operational liquidity requirement was \$13.5 million and the restricted liquidity requirement was approximately \$45.6 million. The subsidiary had \$60.5 million of applicable assets to meet the operational and restricted liquidity requirements, respectively. The restricted liquidity requirement is calculated monthly by Fannie Mae's custodian, U.S. Bank, N.A., and is based upon current portfolio size and types of collateral. The requirement is classified as restricted cash and cash equivalents on the accompanying consolidated statements of financial position (see Note 4).

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

As a licensed Freddie Mac Optigo Seller Servicer of Conventional and TAH loans, Bellwether is required to maintain acceptable net worth and liquidity. At December 31, 2025, Bellwether's required net worth was \$60.2 million and its required liquidity was \$0.5 million. At December 31, 2025, Bellwether met these requirements with net worth of \$289.5 million and liquid assets totaling \$27.4 million.

#### **Grants and contracts**

At December 31, 2025, we had commitments under grants and contracts from federal and various state governments of \$48.5 million. This amount will be received through 2029 as we provide services under the terms of the grants and contracts.

#### **Minimum equity requirement**

Pursuant to certain partnership agreements of entities managed by us, we are required to maintain a minimum equity amount that is generally stated as a fixed amount or a percentage of the investment partnership's invested equity. This requirement is less restrictive than a similar requirement in our credit facilities (see Note 17) and has not limited our ability to conduct our business.

#### **Loan origination commitments**

Bellwether is a party to financial instruments in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates, that are not reflected in our consolidated statements of financial position. These financial instruments include (a) commitments to extend credit and (b) forward contracts to deliver and sell loans to investors. Those instruments involve, to varying degrees, elements of credit and market risk in excess of the amount recognized on the consolidated statements of financial position.

Bellwether's exposure to credit loss in the event of nonperformance by the other parties to these financial instruments is represented by the contract amount of the instruments. Bellwether uses the same credit policies in making commitments and forward contracts as it does for on-statement of financial position instruments.

Commitments to extend credit are agreements to lend to a customer and generally have fixed expiration dates. Since most of the commitments are expected to be drawn upon, the total commitment amounts represent future cash requirements. Bellwether evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained upon extension of credit is based on Bellwether's credit evaluation of the counterparty. The collateral held is commercial and multifamily real estate.

Forward contracts are contracts for delayed delivery of loans or mortgage-backed securities in which the seller agrees to make delivery at a future date of a specified instrument, at a specified price or yield. These contracts are used primarily to reduce the exposure to interest rate fluctuations for loans in process and in loan inventory held for sale to investors. Most forward contracts are for terms of 30 days to 90 days.

As of December 31, 2025, Bellwether had entered into commitments to originate loans approximating \$1.0 billion and commitments to sell loans of \$1.4 billion, \$408 million of which are included in MLHS on our consolidated statements of financial position. As discussed in Note 2, Bellwether accounted for these commitments as derivatives recorded at fair value.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

#### **Escrow accounts**

The servicing of mortgage loans includes collection of loan and escrow payments from commercial mortgagors, deposit of these collections into restricted trust accounts, periodic remittance of principal and interest to investors, payment of property taxes and insurance premiums, and periodic inspection of certain properties. As of December 31, 2025, Bellwether held fiduciary funds of \$854.5 million representing undisbursed collections from mortgagors. These trust funds and the corresponding fiduciary trust liability are not included in our consolidated financial statements as they do not represent assets or liabilities of Bellwether.

Bellwether also maintains various insurance policies in accordance with investor requirements. As of December 31, 2025, Bellwether had in force an errors and omissions policy of \$65 million and fidelity bond policy of \$65 million.

#### **Unfunded loan commitments**

In connection with development activities, ECD entered into agreements with various affordable housing developments to fund sponsor notes. As of December 31, 2025, there were open commitments for \$10.7 million in sponsor loans which were unfunded. Of these unfunded loan commitments, \$7.7 million are expected to be fulfilled through cash from tax credit transfers.

#### **Commitments to transfer tax credits**

In connection with the development of several Properties, ECD entered into agreements with third parties to transfer tax credits not yet earned. As of December 31, 2025, ECD had agreements in place to transfer an expected value of \$15.9 million of future tax credits.

#### **Development contingency**

In performing development services, ECD's development fee revenue is indirectly and/or directly based on incurred development costs, realizing sufficient development funding and development profits and/or cost savings. These costs, funding, profits and/or cost savings are subject to audits by an Independent Certified Public Accountant reporting to the owners, lenders and/or stakeholders of the affordable housing property. Accordingly, the ultimate realization of revenue recognized is contingent upon the outcome of such audits. In the opinion of management, adequate provisions have been made in the accompanying consolidated financial statements for material adjustments, if any, which may result from the audits of the affordable housing properties.

#### **Environmental contingencies**

ECD, or one of its wholly-owned subsidiaries that serve as the general partners of the various affordable housing developments, frequently enters into agreements connected with the financing of the affordable housing developments to indemnify the lenders or investors against any environmental contingencies that may arise relating to the construction or operations of the affordable housing developments. Management is not aware of any pending environmental costs on our affordable housing developments that fall under these indemnities, and accordingly, no loss contingencies are required to be recorded in the accompanying consolidated financial statements.

#### **Loans**

At December 31, 2025, Loan Fund has commitments to fund loans to various community development organizations of approximately \$70 million. Loan Fund also has additional commitments to draw debt to fund these loans of approximately \$136 million. These loans may also be partially funded with Loan Fund's cash.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

#### **Custodial accounts**

At December 31, 2025, Loan Fund held \$26 million of cash in an agency capacity through custodial accounts for participation and syndication programs, which is not included in our consolidated financial statements.

#### **New Markets Tax Credits**

The NMTCs are contingent on our ability to maintain compliance with various rules and regulations of the CDFI Fund and applicable sections of Section 45D of the Internal Revenue Code. Failure to maintain compliance could result in recapture of previously taken NMTCs and the loss of future NMTCs.

#### **Litigation**

In the ordinary course of business, we are involved in a number of lawsuits, claims and assessments. In the opinion of management, there is no pending legal liability and accordingly no loss contingencies are required to be recorded in the accompanying consolidated financial statements as of December 31, 2025. On March 27, 2024, a property in which ECD is the general partner of executed an Assurance of Voluntary Compliance with the District of Columbia Office of Attorney General, which resolved issues arising from an investigation into certain asserted violations at the property. The matter was settled for \$1.0 million.

#### **Government contracting**

We recognize revenue from grants and contracts from government agencies based on actual costs incurred and reimbursable expenses from the granting agencies. These costs are subject to audit by the Office of the Inspector General and ultimate realization of revenue recognized is contingent upon the outcome of such audits. In the opinion of management, adequate provisions have been made in the accompanying consolidated financial statements for adjustments, if any, which may result from an audit.

#### **Conditional grants**

As of December 31, 2025, conditional promises to give to us totaled \$116.2 million, of which \$112.0 million were deemed conditional due to the presence of federal cost principles and \$4.2 million were deemed conditional due to the presence of state cost principles. \$77.0 million of the promises to give to us that are conditional due to the presence of federal cost principles also contain a matching requirement.

#### **Matching requirements**

We were awarded various five-year Capacity Building grants by HUD. These awards require us to either directly provide qualified matching program services and costs or obtain the matching program services and costs from third parties on a 3:1 basis within four years of the award date on amounts expended which could be less than the award amount. Should we not achieve the committed 3:1 matching requirement from third parties, we would be required to provide the matching program services or accept alternative corrective action.

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Notes to Consolidated Financial Statements  
December 31, 2025 and 2024**

The awards, outstanding at any time during 2025, the related matching requirements, amounts expended and matching program services and the costs achieved as of December 31, 2025 are summarized as follows (\$ in thousands):

<u>Capacity Building Grant</u>	<u>Award Year</u>	<u>Award Amount</u>	<u>Required Matching Commitments</u>	<u>Amount Expended</u>	<u>Matching Commitment Achieved</u>
CB 24	2021	\$ 14,254	\$ 42,762	\$ 14,254	\$ 42,762
CB 25	2022	15,000	45,000	11,722	10,800
CB 26	2024	16,000	48,000	1,658	-
CB 27	2024	16,333	49,000	1,206	-

**Note 24 - Guarantee obligations**

We enter into certain guarantees in the ordinary course of business. The guarantees and obligations are described below.

ECD or one of its wholly-owned subsidiaries that serve as the general partners for various affordable housing properties are responsible under operating deficit guarantees. These guarantees require the guaranteeing entity to loan cash to the affordable housing properties to cover any operating deficits. Such guarantees generally begin at the closing date, completion of construction, or first mortgage loans conversion, and either upon achieving certain benchmarks, or upon a set time after commencement. At December 31, 2025, the maximum liability under ECD's operating deficit guarantee was \$32.2 million.

Additionally, ECD or one of its wholly-owned subsidiaries provides construction completion, development deficit, environmental, and/or tax credit guarantees to investors related to the performance under various development agreements. The maximum future payments ECD or one of its wholly-owned subsidiaries could be required to pay under these guarantees range from a fixed amount to unlimited based on the nature of the guarantee. However, in management's judgment, there are several factors that reduce or limit loss exposure, including requiring general contractors to post construction completion bonds and, therefore, no risk of loss has been recognized in these consolidated financial statements.

We have letters of credit relating to certain partnerships for which we provide syndication and/or development services, including \$3.2 million issued through one of our credit facilities at December 31, 2025. The estimated maximum exposure to loss under these guarantees is \$3.2 million at December 31, 2025. Management believes that there is sufficient collateral from partnership assets to support these instruments and, therefore, no risk of loss has been recognized in these consolidated financial statements.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

ECD provides guarantees to certain lenders who provide financing for the acquisition and construction of affordable housing properties ECD develops. Under these guarantees, ECD provides repayment guarantees for the associated loans. These guarantees are generally in effect until the maturity date of the loan, or in the case of construction loans, the conversion to permanent financing. As of December 31, 2025, ECD had provided guarantees on eleven loans, of which \$178.8 million was outstanding at year end.

We also provide guarantees to Ohio Housing Finance Agency ("OHFA") related to certain LIHTC properties which have received a Housing Development Loan ("HDL") from OHFA. The intent of the HDLs is to bridge a portion of the investor equity that would typically be paid during construction or at completion over a 10-year period in order to increase the value of the LIHTCs. Our guaranty serves as collateral for the loan's repayment to OHFA. The guaranty is in the amount of the outstanding principal and interest on the HDL and remains in place until the HDL is fully repaid. As payments are made over the term of the HDL, the guaranty is effectively reduced by the amount of the payments. The estimated maximum exposure to loss under these guarantees is \$20.5 million at December 31, 2025. As the source of repayment for the HDL is investor capital contributions which are deemed to be highly probable based on history and the financial health of the investors, we have determined that our risk is not significant, and as such, no related liability has been recorded.

We provide a guarantee to the investor in an affordable housing property developed in a Qualified Opportunity Zone. Under the guarantee, we would be responsible to cover a portion of losses incurred by the investor if the losses were the result of the property failing to maintain its compliance with rules designated under the Opportunity Zone program. At December 31, 2025, the estimated maximum exposure to loss under this guarantee was \$0.2 million.

#### **Note 25 - Risks and uncertainties**

Our investments consist of commercial paper, corporate and U.S. agency bonds and notes, and diversified funds which invest in fixed income securities, and equities. Investment policy and guidelines are established by our investment committee of the board of trustees and approved by the applicable boards. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the consolidated statement of financial position as of December 31, 2025. The investment policy and guidelines consider liquidity and risks for each entity and each pool of assets and attempt to diversify asset classes to mitigate risks over the applicable time horizons.

#### **Note 26 - Fair value measurements**

Fair value of assets or liabilities measured on a recurring basis is determined based on the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

We maintain policies and procedures to value instruments using the best and most relevant data available. Additionally, management routinely performs various risk assessments that review valuation, including independent price validation for certain instruments. Furthermore, in other instances, we retain independent pricing vendors to assist in valuing certain instruments.

The following table presents the fair value of assets measured on a recurring basis at December 31, (\$ in thousands):

2025	Level 1	Level 2	Level 3	Net balance
<b>Assets</b>				
Investments in marketable securities and CDs	\$ 41,146	\$ 799	\$ -	\$ 41,945
MLHS	-	408,448	-	408,448
Derivative assets	-	-	82,759	82,759
<b>Total</b>	<b>\$ 41,146</b>	<b>\$ 409,247</b>	<b>\$ 82,759</b>	<b>\$ 533,152</b>
<b>Liabilities</b>				
Derivative liabilities	\$ -	\$ -	\$ 70,170	\$ 70,170
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,170</b>	<b>\$ 70,170</b>
<b>2024</b>				
	Level 1	Level 2	Level 3	Net balance
<b>Assets</b>				
Investments in marketable securities and CDs	\$ 36,441	\$ 784	\$ -	\$ 37,225
MLHS	-	290,484	-	290,484
Derivative assets	-	-	159,405	159,405
<b>Total</b>	<b>\$ 36,441</b>	<b>\$ 291,268</b>	<b>\$ 159,405</b>	<b>\$ 487,114</b>
<b>Liabilities</b>				
Derivative liabilities	\$ -	\$ 68	\$ 145,778	\$ 145,846
<b>Total</b>	<b>\$ -</b>	<b>\$ 68</b>	<b>\$ 145,778</b>	<b>\$ 145,846</b>

## Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

### Notes to Consolidated Financial Statements December 31, 2025 and 2024

Marketable securities are invested in exchange traded mutual funds and measured at their unadjusted, quoted net asset value. Certificates of deposits ("CDs"), which are Level 2 instruments are measured at cost plus accrued interest, which approximates their fair value. MLHS are measured using market values provided by third-party investors for similar loans, plus the value of the related servicing rights. Level 3 derivative instruments consist of interest rate lock commitments and forward sale agreements. These instruments are valued using a discounted cash flow model based on changes in the U.S. Treasury rate and other observable market data for similar instruments. Level 2 derivative instruments are interest rate swaps, whose fair value is determined using the present value of expected cash flows based on a market observable interest rate yield curve commensurate with the term of the instruments. Certain of our investments in unconsolidated partnerships, our social impact investments, are measured at fair value, which is measured by our net asset value per share in each of those investments.

There were no transfers between any of the levels within the fair value hierarchy 2025 or 2024 and no purchases and issues of Level 3 assets and liabilities during the years ended December 31, 2025 and 2024.

The following table presents information about significant unobservable inputs used in the measurement of the fair value of our Level 3 derivative assets and liabilities measured on a recurring basis at December 31 (\$ in thousands):

	Fair value		Valuation technique	Unobservable input	Input value
	2025	2024			
Derivative assets	\$ 82,759	\$ 159,405	Discounted cash flow	Counterparty credit risk	-
Derivative liabilities	70,170	145,778	Discounted cash flow	Counterparty credit risk	-
Derivative assets, net	<u>\$ 12,589</u>	<u>\$ 13,627</u>			

Significant increases (decreases) in counterparty credit risk may lead to significantly lower (higher) fair value measurements. Given the credit quality of Bellwether's counterparties, the short duration between funding the loan to the borrower and subsequent sale of the loan to the investor, and Bellwether's historical experience with the agreements, the risk of nonperformance by its counterparties is not considered to be significant.

#### **Nonrecurring fair value measurements**

We evaluate mortgage servicing rights and obligations, our investments in unconsolidated partnerships, and intangible assets annually for impairment. We estimate the fair value of mortgage servicing rights and obligations as described in Note 12. We estimate the fair value of investments in unconsolidated partnerships that are held for sale using market yields to investors as of the measurement date. These valuations represent Level 3 fair value measurements due to significant unobservable inputs. We recognize impairment to the extent transferring the unconsolidated partnerships to the investment partnership will result in a loss to us. For all other investments in unconsolidated partnerships, we estimate the fair value based on the residual value to Enterprise of the investment as of the measurement date. During the years ended December 31, 2025 and 2024, an impairment charge of \$6.4 million and \$0.4 million, respectively was recognized on our investment in unconsolidated partnerships.

## **Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

### **Notes to Consolidated Financial Statements December 31, 2025 and 2024**

#### **Note 27 - Subsequent events**

Events that occur after the consolidated statement of financial position date, but before the consolidated financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates through April 28, 2026 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events that have occurred would require recognition in the consolidated financial statements. Management determined that the following subsequent event requires disclosure in the notes to the consolidated financial statements.

On March 5, 2026, ECD sold one of its operating real estate entities for \$18.5 million. ECD received \$6.1 million from the sale of the real estate entity, \$0.7 million from the release of the real estate entity's operating reserves, and \$2.5 million for repayment of a note receivable.

## **Supplementary Information**

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Supplementary Information**

**Consolidating Statement of Financial Position  
December 31, 2025  
(\$ in thousands)**

	<u>Assets</u>				All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total		
Cash and cash equivalents	\$ 76,129	\$ 125,035	\$ -	\$ 201,164	\$ 114,833	\$ 315,997
Restricted cash and cash equivalents	62,588	58,854	-	121,442	719,149	840,591
Contributions receivable, net	21,356	-	-	21,356	1,067	22,423
Accounts and other receivables, net	12,624	2,481	-	15,105	179,576	194,681
Advances to (from) subsidiaries and affiliates	7,114	(154)	-	6,960	(6,960)	-
Mortgage loans held for sale	-	-	-	-	408,448	408,448
Derivative assets	-	-	-	-	82,759	82,759
Investments in controlled subsidiaries and affiliates	668,492	-	(149,239)	519,253	(519,253)	-
Investments in unconsolidated partnerships	2,290	2,515	(124)	4,681	319,199	323,880
Prepaid expenses and other assets, net	-	-	-	-	21,178	21,178
Loans and notes receivable, net	31,687	371,870	-	403,557	103,582	507,139
Investments	1,398	799	-	2,197	-	2,197
Restricted investments	30,955	9,702	-	40,657	875	41,532
Mortgage servicing rights, net	-	-	-	-	209,463	209,463
Property and equipment, net	6,265	491	-	6,756	288,402	295,158
Lease right-of-use assets	20,175	-	-	20,175	13,248	33,423
Intangible assets, net	-	-	-	-	11,710	11,710
Goodwill	-	-	-	-	25,371	25,371
<b>Total assets</b>	<b>\$ 941,073</b>	<b>\$ 571,593</b>	<b>\$ (149,363)</b>	<b>\$ 1,363,303</b>	<b>\$ 1,972,647</b>	<b>\$ 3,335,950</b>
	<u>Liabilities and Net Assets</u>					
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 7,212	\$ 4,512	\$ -	\$ 11,724	\$ 83,176	\$ 94,900
Grants payable	20,788	-	-	20,788	(494)	20,294
Funds held for others	680	4,023	-	4,703	13,281	17,984
Derivative liabilities	-	-	-	-	70,170	70,170
Indebtedness	-	410,459	-	410,459	809,802	1,220,261
Capital contributions payable	-	-	-	-	256,594	256,594
Deferred tax liabilities, net	-	-	-	-	22,693	22,693
Deferred revenue	895	-	-	895	18,215	19,110
Losses in excess of investments in unconsolidated partnerships	-	-	-	-	2,111	2,111
Allowance for loan loss sharing	-	-	-	-	58,836	58,836
Lease liabilities	23,893	-	-	23,893	15,382	39,275
Deferred grant income	-	2,736	-	2,736	619,068	621,804
Other liabilities	86	624	-	710	3,813	4,523
<b>Total liabilities</b>	<b>53,554</b>	<b>422,354</b>	<b>-</b>	<b>475,908</b>	<b>1,972,647</b>	<b>2,448,555</b>
<b>Commitments and contingencies</b>						
<b>Net assets</b>						
Net assets without donor restrictions	589,942	118,031	(118,155)	589,818	496	590,314
Net assets without donor restrictions - noncontrolling interest	165,085	-	-	165,085	-	165,085
Net assets with donor restrictions	132,492	31,208	(31,208)	132,492	(496)	131,996
<b>Total net assets</b>	<b>887,519</b>	<b>149,239</b>	<b>(149,363)</b>	<b>887,395</b>	<b>-</b>	<b>887,395</b>
<b>Total liabilities and net assets</b>	<b>\$ 941,073</b>	<b>\$ 571,593</b>	<b>\$ (149,363)</b>	<b>\$ 1,363,303</b>	<b>\$ 1,972,647</b>	<b>\$ 3,335,950</b>

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Supplementary Information**

**Consolidating Statement of Financial Position  
December 31, 2024  
(\$ in thousands)**

	<u>Assets</u>				All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total		
Cash and cash equivalents	\$ 105,014	\$ 115,229	\$ -	\$ 220,243	\$ 94,800	\$ 315,043
Restricted cash and cash equivalents	65,483	39,270	-	104,753	97,676	202,429
Contributions receivable, net	25,422	6,385	-	31,807	954	32,761
Accounts and other receivables, net	12,485	2,861	-	15,346	190,928	206,274
Advances (from) to subsidiaries and affiliates	304	(392)	-	(88)	88	-
Mortgage loans held for sale	-	-	-	-	290,484	290,484
Derivative assets	-	-	-	-	159,405	159,405
Investments in controlled subsidiaries and affiliates	646,367	-	(150,697)	495,670	(495,670)	-
Investments in unconsolidated partnerships	2,155	2,976	(976)	4,155	141,709	145,864
Prepaid expenses and other assets, net	290	-	-	290	25,119	25,409
Loans and notes receivable, net	25,917	374,469	-	400,386	89,002	489,388
Investments	1,364	784	-	2,148	-	2,148
Restricted investments	25,560	9,281	-	34,841	1,970	36,811
Mortgage servicing rights, net	-	-	-	-	199,050	199,050
Property and equipment, net	7,746	573	-	8,319	279,559	287,878
Lease right-of-use assets	23,843	-	-	23,843	14,848	38,691
Intangible assets, net	-	-	-	-	13,156	13,156
Goodwill	-	-	-	-	28,190	28,190
<b>Total assets</b>	<b>\$ 941,950</b>	<b>\$ 551,436</b>	<b>\$ (151,673)</b>	<b>\$ 1,341,713</b>	<b>\$ 1,131,268</b>	<b>\$ 2,472,981</b>
	<u>Liabilities and Net Assets</u>					
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 7,179	\$ 2,891	\$ -	\$ 10,070	\$ 78,285	\$ 88,355
Grants payable	23,010	-	-	23,010	(1,022)	21,988
Funds held for others	738	4,973	-	5,711	17,166	22,877
Derivative liabilities	-	-	-	-	145,846	145,846
Indebtedness	-	390,170	-	390,170	687,432	1,077,602
Capital contributions payable	-	-	-	-	94,178	94,178
Deferred tax liabilities, net	-	-	-	-	22,386	22,386
Deferred revenue	630	-	-	630	14,195	14,825
Losses in excess of investments in unconsolidated partnerships	-	-	-	-	1,414	1,414
Allowance for loan loss sharing	-	-	-	-	48,965	48,965
Lease liabilities	27,831	-	-	27,831	17,234	45,065
Deferred grant income	-	2,064	-	2,064	-	2,064
Other liabilities	25	641	-	666	5,189	5,855
<b>Total liabilities</b>	<b>59,413</b>	<b>400,739</b>	<b>-</b>	<b>460,152</b>	<b>1,131,268</b>	<b>1,591,420</b>
<b>Commitments and contingencies</b>						
<b>Net assets</b>						
Net assets without donor restrictions	575,842	102,142	(103,118)	574,866	-	574,866
Net assets without donor restrictions - noncontrolling interest	157,308	-	-	157,308	-	157,308
Net assets with donor restrictions	149,387	48,555	(48,555)	149,387	-	149,387
<b>Total net assets</b>	<b>882,537</b>	<b>150,697</b>	<b>(151,673)</b>	<b>881,561</b>	<b>-</b>	<b>881,561</b>
<b>Total liabilities and net assets</b>	<b>\$ 941,950</b>	<b>\$ 551,436</b>	<b>\$ (151,673)</b>	<b>\$ 1,341,713</b>	<b>\$ 1,131,268</b>	<b>\$ 2,472,981</b>

See Independent Auditor's Report.

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Activities Year Ended December 31, 2025 (\$ in thousands)

	Without Donor Restrictions					With Donor Restrictions							
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Consolidated Total
Revenue and support													
Gains from mortgage banking activities	\$ -	\$ -	\$ -	\$ -	\$ 186,503	\$ 186,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,503
Interest income	3,275	21,459	-	24,734	65,449	90,183	1,113	-	-	1,113	(1)	1,112	91,295
Syndication fees	-	-	-	-	67,507	67,507	-	-	-	-	-	-	67,507
Contributions	5,465	-	-	5,465	4,526	9,991	50,949	138	-	51,087	5,124	56,211	66,202
Loan servicing fees	-	-	-	-	48,854	48,854	-	-	-	-	-	-	48,854
Rental income	-	-	-	-	48,479	48,479	-	-	-	-	-	-	48,479
Asset management fees	-	-	-	-	37,731	37,731	-	-	-	-	-	-	37,731
Property management fees and reimbursed costs	-	-	-	-	31,287	31,287	-	-	-	-	-	-	31,287
Grants and contracts	20,139	-	-	20,139	1,391	21,530	7,682	20	-	7,702	-	7,702	29,232
Development fees	-	-	-	-	17,798	17,798	-	-	-	-	-	-	17,798
Investment income	2,498	6,352	-	8,850	(5,463)	3,387	684	372	-	1,056	-	1,056	4,443
Advisory services and other fees	-	-	-	-	4,380	4,380	-	-	-	-	-	-	4,380
Services provided to subsidiaries and affiliates	6,178	-	-	6,178	(6,178)	-	-	-	-	-	-	-	-
Royalty income	13,511	-	-	13,511	(13,511)	-	-	-	-	-	-	-	-
Other revenue	4,123	2,223	-	6,346	9,101	15,447	-	-	-	-	-	-	15,447
Net assets released from restrictions	55,189	30,034	-	85,223	497,854	583,077	60,428	530	-	60,958	5,123	66,081	649,158
	63,204	17,877	-	81,081	6,330	87,411	(63,204)	(17,877)	-	(81,081)	(6,330)	(87,411)	-
Total revenue and support	118,393	47,911	-	166,304	504,184	670,488	(2,776)	(17,347)	-	(20,123)	(1,207)	(21,330)	649,158
Expenses													
Program activities	120,862	29,614	(791)	149,685	419,883	569,568	-	-	-	-	-	-	569,568
Management and general	8,521	2,066	-	10,587	19,329	29,916	-	-	-	-	-	-	29,916
Fundraising	7,358	-	-	7,358	(86)	7,272	-	-	-	-	-	-	7,272
Total expenses	136,741	31,680	(791)	167,630	439,126	606,756	-	-	-	-	-	-	606,756
(Deficiency) excess of revenue and support over expenses from operations	(18,348)	16,231	791	(1,326)	65,058	63,732	(2,776)	(17,347)	-	(20,123)	(1,207)	(21,330)	42,402
Loss on dispositions of property and equipment	-	-	-	-	(260)	(260)	-	-	-	-	-	-	(260)
Net realized and unrealized gain (loss) on investments	60	(90)	-	(30)	68	38	3,939	-	-	3,939	-	3,939	3,977
Impairment	-	-	-	-	(6,393)	(6,393)	-	-	-	-	-	-	(6,393)
Equity in increase (decrease) in net assets of subsidiaries and affiliates	72,462	(252)	(15,309)	56,901	(57,099)	(198)	(711)	-	(496)	(1,207)	1,207	-	(198)
Change in net assets before income taxes	54,174	15,889	(14,518)	55,545	1,374	56,919	452	(17,347)	(496)	(17,391)	-	(17,391)	39,528
Income tax expense	-	-	-	-	1,374	1,374	-	-	-	-	-	-	1,374
Change in net assets	54,174	15,889	(14,518)	55,545	-	55,545	452	(17,347)	(496)	(17,391)	-	(17,391)	38,154
Change in net assets, noncontrolling interest	(41,411)	-	-	(41,411)	-	(41,411)	-	-	-	-	-	-	(41,411)
Change in net assets, controlling interest	\$ 12,763	\$ 15,889	\$ (14,518)	\$ 14,134	\$ -	\$ 14,134	\$ 452	\$ (17,347)	\$ (496)	\$ (17,391)	\$ -	\$ (17,391)	\$ (3,257)

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Activities Year Ended December 31, 2024 (\$ in thousands)

	Without Donor Restrictions					With Donor Restrictions						
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations  Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations  Consolidated	Consolidated Total	
Revenue and support												
Gains from mortgage banking activities	\$ -	\$ -	\$ -	\$ -	\$ 141,008	\$ 141,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,008
Interest income	2,590	21,465	-	24,055	66,392	90,447	1,875	-	1,875	-	1,875	92,322
Syndication fees	-	-	-	-	52,685	52,685	-	-	-	-	-	52,685
Contributions	70,943	-	-	70,943	(5,483)	65,460	33,920	10,000	43,920	8,215	52,135	117,595
Loan servicing fees	-	-	-	-	44,754	44,754	-	-	-	-	-	44,754
Rental income	-	-	-	-	45,418	45,418	-	-	-	-	-	45,418
Asset management fees	-	-	-	-	40,522	40,522	-	-	-	-	-	40,522
Property management fees and reimbursed costs	-	-	-	-	26,606	26,606	-	-	-	-	-	26,606
Grants and contracts	27,827	-	-	27,827	75	27,902	-	10,064	10,064	-	10,064	37,966
Development fees	-	-	-	-	12,676	12,676	-	-	-	-	-	12,676
Investment income	2,909	5,438	-	8,347	(4,832)	3,515	587	439	1,026	-	1,026	4,541
Advisory services and other fees	-	-	-	-	3,753	3,753	-	-	-	-	-	3,753
Services provided to subsidiaries and affiliates	4,152	-	-	4,152	(4,152)	-	-	-	-	-	-	-
Royalty income	11,725	-	-	11,725	(11,725)	-	-	-	-	-	-	-
Other revenue	4,202	2,160	-	6,362	3,251	9,613	-	-	-	-	-	9,613
	124,348	29,063	-	153,411	410,948	564,359	36,382	20,503	56,885	8,215	65,100	629,459
Net assets released from restrictions	81,695	10,316	-	92,011	5,944	97,955	(81,695)	(10,316)	(92,011)	(5,944)	(97,955)	-
<b>Total revenue and support</b>	<b>206,043</b>	<b>39,379</b>	<b>-</b>	<b>245,422</b>	<b>416,892</b>	<b>662,314</b>	<b>(45,313)</b>	<b>10,187</b>	<b>(35,126)</b>	<b>2,271</b>	<b>(32,855)</b>	<b>629,459</b>
Expenses												
Program activities	135,323	29,007	-	164,330	389,229	553,559	-	-	-	-	-	553,559
Management and general	6,263	1,696	-	7,959	17,630	25,589	-	-	-	-	-	25,589
Fundraising	6,874	-	-	6,874	(114)	6,760	-	-	-	-	-	6,760
<b>Total expenses</b>	<b>148,460</b>	<b>30,703</b>	<b>-</b>	<b>179,163</b>	<b>406,745</b>	<b>585,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585,908</b>
Excess (deficiency) of revenue and support over expenses from operations	57,583	8,676	-	66,259	10,147	76,406	(45,313)	10,187	(35,126)	2,271	(32,855)	43,551
(Loss) gain on dispositions of property and equipment	(4)	-	-	(4)	343	339	-	-	-	-	-	339
Net realized and unrealized (loss) gain on investments	(8)	(402)	-	(410)	-	(410)	2,520	-	2,520	-	2,520	2,110
Impairment	-	-	-	-	(352)	(352)	-	-	-	-	-	(352)
Equity in increase (decrease) in net assets of subsidiaries and affiliates	17,092	(2,471)	(3,043)	11,578	(5,499)	6,079	2,064	-	207	(2,271)	-	6,079
Change in net assets before income taxes	74,663	5,803	(3,043)	77,423	4,639	82,062	(40,729)	10,187	207	(30,335)	-	51,727
Income tax expense	-	-	-	-	4,639	4,639	-	-	-	-	-	4,639
Change in net assets	74,663	5,803	(3,043)	77,423	-	77,423	(40,729)	10,187	207	(30,335)	-	47,088
Change in net assets, noncontrolling interest	(26,802)	-	-	(26,802)	-	(26,802)	-	-	-	-	-	(26,802)
Change in net assets, controlling interest	<b>\$ 47,861</b>	<b>\$ 5,803</b>	<b>\$ (3,043)</b>	<b>\$ 50,621</b>	<b>\$ -</b>	<b>\$ 50,621</b>	<b>\$ (40,729)</b>	<b>\$ 10,187</b>	<b>\$ 207</b>	<b>\$ (30,335)</b>	<b>\$ (30,335)</b>	<b>\$ 20,286</b>

See Independent Auditor's Report.

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Functional Expenses Year Ended December 31, 2025 (\$ in thousands)

Expenses	Program activities						Management and General						Fundraising						Consolidated Total
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	
Salaries and employee benefits	\$ 33,860	\$ 6,877	\$ -	\$ 40,737	\$ 282,351	\$ 323,088	\$ 3,985	\$ 1,386	\$ -	\$ 5,371	\$ 13,554	\$ 18,925	\$ 4,598	\$ -	\$ -	\$ 4,598	\$ 483	\$ 5,081	\$ 347,094
Grants and royalty fee	58,992	4,932	-	63,924	(13,581)	50,343	-	-	-	-	-	-	-	-	-	-	-	-	50,343
General operating expenses	1,558	225	-	1,783	39,728	41,511	46	40	-	86	2,842	2,928	71	-	-	71	77	148	44,587
Interest expense	-	10,061	-	10,061	36,023	46,084	-	-	-	-	296	296	-	-	-	-	-	-	46,380
Occupancy	1,930	479	-	2,409	40,113	42,522	331	84	-	415	763	1,178	276	-	-	276	43	319	44,019
Professional and contract services	19,610	2,489	-	22,099	(2,779)	19,320	3,505	513	-	4,018	(119)	3,899	1,971	-	-	1,971	(695)	1,276	24,495
Depreciation and amortization expense	1,741	137	-	1,878	14,903	16,781	61	24	-	85	1,519	1,604	54	-	-	54	6	60	18,445
Provision for credit losses and bad debt expense	155	4,302	-	4,457	13,492	17,949	-	-	-	-	-	-	-	-	-	-	-	-	17,949
Travel and related costs	1,015	68	-	1,083	6,738	7,821	86	12	-	98	316	414	134	-	-	134	-	134	8,369
Marketing expenses	722	6	-	728	1,595	2,323	55	-	-	55	139	194	106	-	-	106	-	106	2,623
Meetings and conferences	1,279	38	-	1,317	509	1,826	452	7	-	459	19	478	148	-	-	148	-	148	2,452
	<u>\$ 120,862</u>	<u>\$ 29,614</u>	<u>\$ -</u>	<u>\$ 150,476</u>	<u>\$ 419,092</u>	<u>\$ 569,568</u>	<u>\$ 8,521</u>	<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ 10,587</u>	<u>\$ 19,329</u>	<u>\$ 29,916</u>	<u>\$ 7,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,358</u>	<u>\$ (86)</u>	<u>\$ 7,272</u>	<u>\$ 606,756</u>

**Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates**

**Supplementary Information**

**Consolidating Statement of Functional Expenses  
Year Ended December 31, 2024  
(\$ in thousands)**

Expenses	Program activities						Management and General						Fundraising						Consolidated Total
	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated	
Salaries and employee benefits	\$ 32,108	\$ 5,760	\$ -	\$ 37,868	\$ 260,519	\$ 298,387	\$ 3,081	\$ 1,059	\$ -	\$ 4,140	\$ 13,004	\$ 17,144	\$ 4,300	\$ -	\$ -	\$ 4,300	\$ 474	\$ 4,774	\$ 320,305
Grants and royalty fee	74,382	1,398	-	75,780	(11,069)	64,711	-	-	-	-	-	-	-	-	-	-	-	-	64,711
General operating expenses	876	193	-	1,069	27,872	28,941	46	29	-	75	2,289	2,364	61	-	-	61	53	114	31,419
Interest expense	-	8,820	-	8,820	33,515	42,335	-	-	-	-	232	232	-	-	-	-	-	-	42,567
Occupancy	1,717	505	-	2,222	39,873	42,095	283	75	-	358	1,266	1,624	227	-	-	227	36	263	43,982
Professional and contract services	20,970	2,586	-	23,556	21,485	2,503	493	-	2,996	(517)	2,479	1,810	-	-	-	1,810	(683)	1,127	25,091
Depreciation and amortization expense	1,833	151	-	1,984	16,059	18,043	80	23	-	103	792	895	57	-	-	57	6	63	19,001
Provision for credit losses and bad debt expense	219	9,479	-	9,698	15,524	25,222	-	-	-	-	-	-	-	-	-	-	-	-	25,222
Travel and related costs	1,125	82	-	1,207	6,260	7,467	71	12	-	83	328	411	186	-	-	186	-	186	8,064
Marketing expenses	1,293	4	-	1,297	1,892	3,189	190	1	-	191	221	412	207	-	-	207	-	207	3,808
Meetings and conferences	800	29	-	829	555	1,384	9	4	-	13	15	28	26	-	-	26	-	26	1,438
	<u>\$ 135,323</u>	<u>\$ 29,007</u>	<u>\$ -</u>	<u>\$ 164,330</u>	<u>\$ 389,229</u>	<u>\$ 553,559</u>	<u>\$ 6,263</u>	<u>\$ 1,696</u>	<u>\$ -</u>	<u>\$ 7,959</u>	<u>\$ 17,630</u>	<u>\$ 25,589</u>	<u>\$ 6,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,874</u>	<u>\$ (114)</u>	<u>\$ 6,760</u>	<u>\$ 585,908</u>

See Independent Auditor's Report.

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Cash Flows Year Ended December 31, 2025 (\$ in thousands)

	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
Cash flows from operating activities						
Changes in net assets	\$ 37,302	\$ (1,458)	\$ 2,310	\$ 38,154	\$ -	\$ 38,154
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities						
Depreciation and amortization expense	1,856	161	-	2,017	16,428	18,445
Amortization of debt issuance costs	-	43	-	43	1,281	1,324
Impairment expense	-	-	-	-	6,393	6,393
Loss on dispositions of property and equipment	-	-	-	-	260	260
Bad debt expense	-	-	-	-	1,877	1,877
Provision for credit losses	155	4,302	-	4,457	11,615	16,072
Changes in operating lease right-of-use asset and liability, net	(270)	-	-	(270)	(252)	(522)
Net unrealized (gain) loss on investments	(3,999)	90	-	(3,909)	-	(3,909)
Equity in net loss (income) from unconsolidated partnerships	41	252	(852)	(559)	757	198
Equity in increase in net assets of subsidiaries and affiliates	(54,445)	-	(1,458)	(55,903)	55,903	-
Deferred tax expense	-	-	-	-	174	174
Origination of mortgage servicing rights	-	-	-	-	(47,073)	(47,073)
Amortization of mortgage servicing rights	-	-	-	-	40,018	40,018
Origination of mortgages held for sale	-	-	-	-	(4,432,051)	(4,432,051)
Proceeds from sales of loans to third parties	-	-	-	-	4,310,729	4,310,729
Decrease (increase) in assets						
Contributions receivable, net	4,066	6,385	-	10,451	(113)	10,338
Accounts and other receivables, net	(139)	380	-	241	8,233	8,474
Advances (from) to subsidiaries and affiliates	(6,810)	(238)	-	(7,048)	7,048	-
Derivative assets	-	-	-	-	76,646	76,646
Investments in unconsolidated partnerships	-	-	-	-	(11,358)	(11,358)
Prepaid expenses and other assets	290	-	-	290	4,053	4,343
Increases (decreases) in liabilities						
Accounts payable, accrued expenses, and other liabilities	373	1,621	-	1,994	7,447	9,441
Grants payable	(2,222)	-	-	(2,222)	528	(1,694)
Funds held for others	(58)	(950)	-	(1,008)	(4,002)	(5,010)
Derivative liabilities	-	-	-	-	(75,676)	(75,676)
Indebtedness	-	-	-	-	115	115
Deferred tax liabilities, net	-	-	-	-	(144)	(144)
Deferred grant income	-	672	-	672	619,068	619,740
Net cash (used in) provided by operating activities	<u>(23,860)</u>	<u>11,260</u>	<u>-</u>	<u>(12,600)</u>	<u>597,904</u>	<u>585,304</u>
Cash flows from investing activities						
Advances on loans and notes receivable	(95,478)	(105,131)	-	(200,609)	53,951	(146,658)
Repayments of loans and notes receivable	89,539	103,411	-	192,950	(68,657)	124,293
Net (purchases of) proceeds from sales of investments	(1,430)	(436)	-	(1,866)	1,162	(704)
Purchases of property and equipment	(375)	(79)	-	(454)	(12,549)	(13,003)
Investments made in unconsolidated partnerships	(204)	-	-	(204)	(13,712)	(13,916)
Cash received upon resyndication	-	-	-	-	3,601	3,601
Net cash acquired in purchase of limited partner interests	-	-	-	-	1,224	1,224
Payment for acquisition of assets in First Southern	-	-	-	-	-	-
Payment for acquisition of assets of Abundance Capital	-	-	-	-	-	-
Distributions from investments in unconsolidated partnerships	28	119	-	147	2,012	2,159
Net cash used in investing activities	<u>(7,920)</u>	<u>(2,116)</u>	<u>-</u>	<u>(10,036)</u>	<u>(32,968)</u>	<u>(43,004)</u>

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Cash Flows Year Ended December 31, 2025 (\$ in thousands)

	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
Cash flows from financing activities						
Proceeds from indebtedness	-	42,874	-	42,874	118,929	161,803
Indebtedness repayments	-	(22,628)	-	(22,628)	(7,119)	(29,747)
Payment of debt issuance costs	-	-	-	-	(1,252)	(1,252)
Contributions from noncontrolling interest holders	-	-	-	-	10,722	10,722
Distributions to noncontrolling interest holders	-	-	-	-	(44,710)	(44,710)
Net cash provided by financing activities	-	20,246	-	20,246	76,570	96,816
Net (decrease) increase in cash and cash equivalents	(31,780)	29,390	-	(2,390)	641,506	639,116
Cash and cash equivalents, beginning of year	170,497	154,499	-	324,996	192,476	517,472
Cash and cash equivalents, end of year	\$ 138,717	\$ 183,889	\$ -	\$ 322,606	\$ 833,982	\$ 1,156,588
Supplementary disclosure of cash flow information						
Cash paid for interest during the year, net of amounts capitalized	\$ -	\$ 9,847	\$ -	\$ 9,847	\$ 34,729	\$ 44,576
Income taxes paid, net	\$ -	\$ -	\$ -	\$ -	\$ 1,766	\$ 1,766
Reconciliation of cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows						
Cash and cash equivalents	\$ 76,129	\$ 125,035	\$ -	\$ 201,164	\$ 114,833	\$ 315,997
Restricted cash and cash equivalents	62,588	58,854	-	121,442	719,149	840,591
Total cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows	\$ 138,717	\$ 183,889	\$ -	\$ 322,606	\$ 833,982	\$ 1,156,588
Supplementary disclosure of significant noncash investing and financing activities						
Commitments to make capital contributions to unconsolidated partnerships	\$ -	\$ -	\$ -	\$ -	\$ 221,958	\$ 221,958
Transfers of investments in unconsolidated partnerships	\$ -	\$ -	\$ -	\$ -	\$ 59,542	\$ 59,542
Note receivable for transfer of property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loans and notes receivable written off	\$ -	\$ 1,618	\$ -	\$ 1,618	\$ 2,036	\$ 3,654
Lease obligations recognized at inception of new leases	\$ -	\$ -	\$ -	\$ -	\$ 2,504	\$ 2,504
Recognition of contingent consideration liability in connection with Phillips acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from noncontrolling interest holders through issuance of notes receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Redemption of noncontrolling interest members' interest through issuance of notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Cash Flows Year Ended December 31, 2024 (\$ in thousands)

	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
Cash flows from operating activities						
Changes in net assets	\$ 44,129	\$ 15,990	\$ (13,031)	\$ 47,088	\$ -	\$ 47,088
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization expense	1,970	174	-	2,144	16,857	19,001
Amortization of debt issuance costs	-	43	-	43	1,100	1,143
Impairment expense	-	-	-	-	352	352
Loss (gain) on dispositions of property and equipment	4	-	-	4	(343)	(339)
Bad debt expense	-	-	-	-	3,970	3,970
Provision for loan loss sharing and credit losses	219	9,479	-	9,698	11,854	21,552
Changes in operating lease right-of-use asset and liability, net	116	-	-	116	(10)	106
Net unrealized (gain) loss on investments	(2,512)	677	-	(1,835)	(1)	(1,836)
Equity (deficiency) in net income from unconsolidated partnerships	311	2,471	(2,959)	(177)	(5,902)	(6,079)
Equity in (decrease) increase in net assets of subsidiaries and affiliates	(29,654)	-	15,990	(13,664)	13,664	-
Deferred tax benefit	-	-	-	-	(242)	(242)
Origination of mortgage servicing rights	-	-	-	-	(35,216)	(35,216)
Amortization of mortgage servicing rights	-	-	-	-	33,995	33,995
Origination of mortgages held for sale	-	-	-	-	(3,459,593)	(3,459,593)
Proceeds from sales of loans to third parties	-	-	-	-	3,327,349	3,327,349
Decreases (increases) in assets						
Contributions receivable, net	15,239	(6,385)	-	8,854	(713)	8,141
Accounts and other receivables, net	(6,053)	(695)	-	(6,748)	1,654	(5,094)
Advances to (from) subsidiaries and affiliates	2,746	(958)	-	1,788	(1,788)	-
Loans and notes receivable, net	-	-	-	-	-	-
Derivative assets	-	-	-	-	(14,468)	(14,468)
Investments in unconsolidated partnerships	-	-	-	-	5,450	5,450
Prepaid expenses and other assets	577	80	-	657	(5,750)	(5,093)
Increases (decreases) in liabilities						
Accounts payable, accrued expenses, and other liabilities	737	47	-	784	2,264	3,048
Grants payable	12,338	-	-	12,338	(1,022)	11,316
Funds held for others	(990)	505	-	(485)	781	296
Derivative liabilities	-	-	-	-	14,379	14,379
Indebtedness	-	-	-	-	52	52
Deferred tax liabilities, net	-	-	-	-	(1,805)	(1,805)
Deferred grant income	-	(979)	-	(979)	-	(979)
Net cash provided by (used in) operating activities	39,177	20,449	-	59,626	(93,132)	(33,506)
Cash flows from investing activities						
Advances on loans and notes receivable	(138,972)	(115,582)	-	(254,554)	47,566	(206,988)
Repayments of loans and notes receivable	134,976	100,975	-	235,951	(62,144)	173,807
Net (purchases of) proceeds from sales of investments	(960)	(1,823)	-	(2,783)	1,731	(1,052)
Purchases of property and equipment	(2,502)	(68)	-	(2,570)	(10,252)	(12,822)
Investments made in unconsolidated partnerships	(671)	-	-	(671)	(11,124)	(11,795)
Cash transferred upon syndication	-	-	-	-	(385)	(385)
Net cash acquired in purchase of limited partner interests	-	-	-	-	5,116	5,116
Payment for acquisition of assets in First Southern	-	-	-	-	(2,414)	(2,414)
Payment for acquisition of assets in Abundance Capital	-	-	-	-	(2,000)	(2,000)
Distributions from investments in unconsolidated partnerships	53	988	-	1,041	12,241	13,282
Net cash used in investing activities	(8,076)	(15,510)	-	(23,586)	(21,665)	(45,251)

# Enterprise Community Partners, Inc. and its Subsidiaries and Affiliates

## Supplementary Information

### Consolidating Statement of Cash Flows Year Ended December 31, 2024 (\$ in thousands)

	Enterprise Community Partners, Inc.	Enterprise Community Loan Fund, Inc.	Combined Eliminations	Combined Total	All Other Subsidiaries & Affiliates, net of Eliminations	Consolidated
Cash flows from financing activities						
Proceeds from indebtedness	-	58,914	-	58,914	179,161	238,075
Indebtedness repayments	-	(2,591)	-	(2,591)	(7,309)	(9,900)
Payment of debt issuance costs	-	-	-	-	(628)	(628)
Contributions from noncontrolling interest holders	-	-	-	-	6,612	6,612
Distributions to noncontrolling interest holders	-	-	-	-	(31,857)	(31,857)
Net cash provided by financing activities	-	56,323	-	56,323	145,979	202,302
Net increase in cash and cash equivalents	31,101	61,262	-	92,363	31,182	123,545
Cash and cash equivalents, beginning of year	139,396	93,237	-	232,633	161,294	393,927
Cash and cash equivalents, end of year	<u>\$ 170,497</u>	<u>\$ 154,499</u>	<u>\$ -</u>	<u>\$ 324,996</u>	<u>\$ 192,476</u>	<u>\$ 517,472</u>
Supplementary disclosure of cash flow information						
Cash paid for interest during the year, net of amounts capitalized	<u>\$ -</u>	<u>\$ 8,624</u>	<u>\$ -</u>	<u>\$ 8,624</u>	<u>\$ 35,242</u>	<u>\$ 43,866</u>
Income taxes paid, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,183</u>	<u>\$ 6,183</u>
Reconciliation of cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows						
Cash and cash equivalents	\$ 105,014	\$ 115,229	\$ -	\$ 220,243	\$ 94,800	\$ 315,043
Restricted cash and cash equivalents	65,483	39,270	-	104,753	97,676	202,429
Total cash, cash equivalents, and restricted cash and cash equivalents presented in the statements of cash flows	<u>\$ 170,497</u>	<u>\$ 154,499</u>	<u>\$ -</u>	<u>\$ 324,996</u>	<u>\$ 192,476</u>	<u>\$ 517,472</u>
Supplementary disclosure of significant noncash investing and financing activities						
Commitments to make capital contributions to unconsolidated partnerships	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,178</u>	<u>\$ 94,178</u>
Transfers of investments in unconsolidated partnerships	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,662</u>	<u>\$ 107,662</u>
Note receivable for transfer of property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ 535</u>
Loans and notes receivable written off	<u>\$ -</u>	<u>\$ 1,688</u>	<u>\$ -</u>	<u>\$ 1,688</u>	<u>\$ 2,985</u>	<u>\$ 4,673</u>
Lease obligations recognized at inception of new leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recognition of contingent consideration liability in connection with Phillips acquisition	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,650</u>	<u>\$ 2,650</u>
Contributions from noncontrolling interest holders through issuance of notes receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,367</u>	<u>\$ 7,367</u>
Redemption of noncontrolling interest members' interest through issuance of notes payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,684</u>	<u>\$ 4,684</u>

See Independent Auditor's Report.



**Independent Member of Nexia**

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