



Quarterly Financial Update
Summary of asset quality, portfolio risks and mitigants
As of 12/31/2025

Thank you for your leadership and investment in our community! Together we are providing people and communities with the financial, human, and civic resources they need to be economically secure.

1. What is the allocation of loans across the portfolio?

Portfolio by Program – Borrower Composition

12/31/2025

Portfolios by Program	# of loans	Aggregate Loan Balances \$	% of portfolio \$	Nonaccrual* loans #	Nonaccrual* loans \$	Nonaccrual* loans % of portfolio \$
ROC-NH Manufactured Housing Coops	125	122,354,518	58%	0	-	0.0%
Welcome Home Loans Single Family Housing	1081	63,349,986	30%	26	1,345,660	2.1%
Business & Community:						
Multi-Family Housing	8	5,315,678	3%	0	-	0.0%
Community Services	19	4,471,904	2%	0	-	0.0%
Business Finance	65	10,536,159	5%	2	160,459	1.5%
Northern Community Investment Capital (NCIC)	74	4,922,843	2%	6	294,123	6.0%
Total Loan Portfolio	1,372	210,951,088	100%	34	1,800,242	0.9%

*Nonaccrual Loans: when a loan is more than 90 days past due, or if it displays problems and full and timely collection of principal or interest is unlikely.

2. How is the portfolio performing?

Loan performance is strong and holding steady. Currently, 0.9% of our loans are on nonaccrual (nonperforming). The ratio was the same at 0.9% this time last year, in December 2024 and at fiscal year-end, In June 2025.

We continue to provide payment relief to borrowers-in-need on a case-by-case basis that can include continuation of payment moratoriums, loan modifications, or the addition of suspended payments to the back end of loans. We are committed to providing new loan products, patient capital, and increased technical assistance to borrowers.

Loan losses have been \$239,675 during the past 12 months. We have also received \$75,628 in recovery payments from loans charged-off in prior years, which translates into a net loan loss of \$164,047 (0.08% of loans outstanding) over the past 12 months.

Net Loan Losses			
	Twelve months ended:		
	12/31/2023	12/31/2024	12/31/2025
Loan Losses	147,348	187,187	239,675
Recoveries	(62,275)	(97,317)	(75,628)
Net Loan Losses \$	85,073	89,870	164,047
Net Loan Losses %	0.04%	0.06%	0.08%

3. Where are the risks in our portfolio?

If we were to enter an economic downturn, our small business, nonprofit, and child care loans are at highest risk. Together they represent \$19.9M (9%) of the total lending portfolio.

These borrowers are performing well. There are 2 Business Finance loans and 6 NCIC loans (to 5 NCIC borrowers) on nonaccrual for \$454,582. Each is being managed on an individual basis tailored to their specific situation.

4. What reserves do we have to cover future loan losses or other financial challenges?

We have three ways to cushion any potential borrower losses, and remain extremely confident in continuing our 100% investor repayment rate:

1. **Net Assets** available to protect investors total \$74,665,442, or 30% of total assets, and they consist of:
 - Financing activity net assets (Equity) of \$68,357,860; and
 - Unrestricted program activity net assets (operating reserves) of \$6,307,582 which cover six months of our current operating budget expenses.
2. These net assets, plus **Subordinate Debt** of \$11,600,000, protect our investors with a total of \$86,265,442, or 35% of our total assets. Note that in our 40-year history, total net borrower losses have been \$10,064,188 (1.9% of total lending).
3. In addition to the net assets and subordinate debt of \$86,265,442, we also have an **Allowance for Credit Loss** (ACL) to cover future loan losses. Currently, based on this quarter's portfolio review to ensure the ACL reflects any deterioration in credit quality, the ACL is set at \$4,107,241 or 2.0% of loans outstanding.

Furthermore, we set aside a portion of our available lending capital so that we have the liquidity to repay investors who choose not to renew. Our **Liquidity Reserve** currently totals \$14,736,039 based on the Board-approved policy to reserve 10% of our senior unsecured debt investments.

5. How have our investors been helping us?

Our investors have been strong partners in support of mission, helping to keep people in their homes, businesses open, and nonprofits strong.

In the higher interest rate environment, many of our investors have shown strong support for our mission by renewing their investments at their current or even lower rates.

We are grateful for the incredible leadership of our investor community.