

# **BOARD MEETING OF JANUARY 20, 2011**

**C. Kent Conine, Chair**



Gloria Ray, Vice-Chair

Leslie Bingham Escareño, Member

Tom Gann, Member

Lowell Keig, Member

Juan Muñoz, Member

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING**

**A G E N D A**

**9:30 am  
January 20, 2011**

125 E. 11th Street  
Dewitt C. Greer Building  
Texas Department of Transportation  
Ric Williamson Hearing Room  
Austin, TX

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

Kent Conine, Chairman

**PUBLIC COMMENT**

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

TDHCA Board to Recognize Full Expenditure and Number of Persons Served by Community Action Agencies through the Community Services Block Grant American Recovery and Reinvestment Act program

**Item 1: Approval of the following items presented in the Board materials:**

***Executive***

- a) Presentation, Discussion, and Possible Action regarding the Board Minute Summary for December 17, 2010
- b) Presentation, Discussion, and Possible Action on Notice to the Board regarding administrative penalties for Campbell Road Apartments (HTC 70023), Southmore Park Apartments (HTC 94004), Parklane I Apartments (HTC 70020), Parklane II Apartments (HTC 70022), Arturo Figueroa Homes (HOME 532307), Francisco Zarate Homes (HOME 532306), Tomas Molina Homes (HOME 532329)

Brooke Boston  
Board Secretary

Tim Irvine  
Chief of Staff/General  
Counsel

***Internal Audit***

- c) Presentation, Discussion, and Possible Action on the 2011 Audit Committee Charter and Board Resolution No. 11-017

Sandy Donoho  
Dir. Internal Audit

***Financial Administration***

- d) Presentation of the Department's 1st Quarter Investment Report

David Cervantes  
Dir. Financial Admin.

***Housing Resource Center***

- e) Presentation, Discussion, and Possible Action to approve the submittal of an application to the U.S. Department of Housing and Urban Development (HUD) for the Rural Innovation Fund Program
- f) Presentation, Discussion, and Possible Action to approve the submittal of an application to Centers for Medicare and Medicaid Services (CMS) via the Department of Aging and Disability Services to request administrative funding to support the housing efforts of Texas' Money Follows the Person Demonstration Program

Elizabeth Yevich  
Dir. HRC

**Multifamily Division Items - Housing Tax Credit Program**

Robbye Meyer  
Dir. Multifamily

g) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments

09993	Malibu Apartments	Austin
00132	Townhomes of Bay Forest	Baytown

h) Presentation, Discussion, and Possible Approval of Housing Tax Credit and Exchange Program Extensions

09280	Mariposa at Ella Boulevard	Houston
09937	Cambridge Crossing	Corsicana

**Multifamily Division Items – Private Activity Bond Program:**

Robbye Meyer  
Dir. Multifamily

i) Presentation, Discussion, and Possible Action Regarding the Subordination of the LURA for Multifamily Housing Revenue Bond development Sphinx at Murdeaux, Resolution No. 11-018

**HOME**

Jeannie Arellano  
Dir. HOME

j) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director

k) Presentation Discussion, and Possible Action regarding the 2010 Single Family Owner-Occupied Housing Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance Programs Award Recommendations

Homebuyer Assistance		
2010-0035	City of McKinney	McKinney

Homeowner Rehabilitation Assistance		
2010-0037	City of Clarksville	Clarksville

Tenant Based Rental Assistance		
2010-0038	Affordable Caring Housing	College Station

**Neighborhood Stabilization Program:**

Tom Gouris  
DED Housing Programs

l) Presentation, Discussion, and Possible Action to Approve the draft Neighborhood Stabilization Program 3 (NSP3) Substantial Amendment

m) Presentation, Discussion, and Possible Action to Approve the Neighborhood Stabilization Program – Program Income (NSP-PI) Notice of Funding Availability

**ACTION ITEMS**

**Item 2: Internal Audit**

Sandy Donoho  
Dir. Internal Audit

a) Report from the Audit Committee and Acceptance of the Report

**Item 3: ARRA Accountability and Oversight:**

Brooke Boston  
DED Community Based Programs

a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**Item 4: Appeals:**

Robbye Meyer  
Dir. Multifamily

a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:

08184	Washington Lofts	Greenville
10003	Champion Homes at Marina Landing	Galveston
10178	Cypress Creek at Fayridge	Houston
10143	Oak Creek Townhomes	Marble Falls
09314	Taylor Farms	Dallas
09913	Villas on Raiford	Carrollton

Appeals Timely Filed

b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:

Tom Gouris  
DED Housing Programs

Appeals Filed Timely

- c) Presentation, Discussion, and Possible Action on HOME Program Appeals:  
Appeals Filed Timely

Tom Gouris  
DED Housing Programs

- d) Presentation, Discussion, and Possible Action on Underwriting Appeals:  
Appeals Filed Timely

Brent Stewart  
Director, REA

**Item 5: Multifamily Division Items - Housing Tax Credit Program**

- a) Presentation, Discussion, and Possible Action Regarding Waivers of Ineligibility for Applicants or Applications in the 2011 Competitive Housing Tax Credit Application Cycle

Robbye Meyer  
Dir. Multifamily Finance

La Hacienda Apartments	Negative Site Feature
Alexander Place Apartments	Reconstruction
Enclave on S. Main Apartments	Negative Site Feature
E2 Flats	Unit Percentage and Size
Preston Lofts	Unit Percentage
The Works at Pleasant Valley	Unit Percentage
Brae Estates	Experience
Merrill Square	Experience
Magnolia Gardens II	Experience
Noor Jooma	Experience
Multi-Family Mission Ministries, Inc.	Removal
Megan Childers Development, LLC	Removal

- b) Executive Quarterly Report of Housing Tax Credit Program Amendments and Extensions
- c) Executive Report of the Status of Applications Awarded Housing Tax Credit Exchange Funds

**Item 6: Bond Finance:**

- a) Report of TDHCA's Financial Advisor
- b) Presentation, Discussion, and Possible Action on Resolution 11-019 authorizing the purchase of warehoused mortgage backed securities with proceeds of Residential Mortgage Revenue Bonds, Series 2011A (Program 77) and reauthorization of the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of first tranche of 2009C (Program 77)

Tim Nelson  
Dir. Bond Finance

**Item 7: Community Affairs**

- a) Presentation, Discussion, and Possible Action to Ratify and Approve the award made by the Executive Director to the Concho Valley Community Action Agency Comprehensive Energy Assistance Program for Tom Green County, the service area formerly served by the City of San Angelo
- b) Presentation, Discussion, and Possible Action to Ratify the award made by the Executive Director to West Texas Opportunities, Inc. of the CSBG program for Mitchell County, and Rolling Plains Management Corporation for Taylor, Stephens and Shackelford Counties, the service area formerly served by Community Action Partners, Inc.
- c) Presentation, Discussion, and Possible Action regarding approval for publication in the Texas Register a final order adopting Amendments to 10 TAC Chapter 5 Subchapters A, B and C

Michael DeYoung  
Dir. CA

**Item 8: Disaster Recovery**

- a) Presentation, Discussion, and Possible Action regarding Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding 70090011 Cameron County

Sara Newsom  
DED, Emergency  
Housing & Disaster  
Recovery

**Item 9: Compliance and Asset Oversight**

- a) Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* final orders repealing 10 TAC Chapter 60, Subchapter A, and adopting new 10 TAC Chapter 60, Subchapter A concerning Compliance Monitoring
- b) Presentation and Discussion of a policy regarding amendments to the number of units, tenant population or other significant amendments to the terms of a funding agreement or award of housing tax credits

Patricia Murphy  
Chief, Compliance and  
Asset Oversight



**REPORT ITEMS**

1. TDHCA Outreach Activities, December 2010
2. Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG Contracts Administered by TDHCA
3. Presentation and Discussion of Tax Credit Assistance Program (TCAP) Current Program Status and Progress Report on Meeting the Federal 75% Expenditure Deadline of February 16, 2011

Sara Newsom  
DED, Emergency  
Housing & Disaster  
Recovery

Tom Gouris  
DED Housing Programs

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public):

Kent Conine, Chairman

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al filed in federal district court, Northern District of Texas*
  - b) *Claim of Gladys House filed with the EEOC;*
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551; or
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person.

**OPEN SESSION**

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session

Kent Conine, Chairman

**ADJOURN**

To access this agenda & details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

**BOARD SECRETARY**  
**BOARD ACTION REQUEST**  
**JANUARY 20, 2011**

Presentation, Discussion, and Possible Action regarding the Board Minute Summary for December 17, 2010.

**Recommended Action**

Approve Board Meeting Minute Summary for December 17, 2010.

**RESOLVED**, that the Board Meeting Minute Summary for December 17, 2010, as having been specifically approved, is hereby approved as presented.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING**

December 17, 2010; 10:30 a.m.  
Capitol Extension, Room E1.016  
Austin, TX

**SUMMARY OF MINUTES**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of December 17, 2010 was called to order by Chair, Kent Conine, at 10:35 a.m. It was held at the Capitol Extension, Room E1.016, Austin, Texas. Roll call certified a quorum was present.

**Members Present:**

Kent Conine, Chair  
Leslie Bingham-Escareño, Member  
Tom H. Gann, Member  
Lowell Keig, Member

**Members Absent:**

Gloria Ray, Vice Chair  
Juan Muñoz, Member

**At the discretion of the Board, the Consent Agenda was presented before Public Comment.**

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

**AGENDA ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

***Executive***

- a) Presentation, Discussion, and Approval of November 10, 2010, Board Minutes

***Texas Homeownership***

- b) Presentation, Discussion and Possible Action to submit an application to NeighborWorks America for the National Foreclosure Mitigation Counseling (NFMC) Program – Round 5

***Multifamily Division Items - Housing Tax Credit Program***

- c) Presentation, Discussion, and Possible Action regarding of Housing Tax Credit Amendments
- |        |                             |          |
|--------|-----------------------------|----------|
| 10198  | Pinnacle at North Chase     | Tyler    |
| 07096  | Moore Grocery Lofts         | Tyler    |
| 07192  | Historic Lofts of Waco High | Waco     |
| 060202 | Beaumont Downtown Lofts     | Beaumont |
- d) Presentation, Discussion, and Possible Approval of Housing Tax Credit and Exchange Program Extensions
- |        |                             |           |
|--------|-----------------------------|-----------|
| 060074 | Amarillo Gardens Apartments | Amarillo  |
| 07149  | Residences at Eastland      | Ft. Worth |
| 07621  | Residences at Onion Creek   | Austin    |

09000	Courtwood Apartments	Eagle Lake
09001	Hillwood Apartments	Weimer
09165	Cherrywood Apartments	West
09314	Taylor Farms	Dallas
09913	Villas on Raiford	Carrollton
10003	Champion Homes at Marina Landing	Galveston
10178	Cypress Creek at Fayridge	Houston
10143	Oak Creek Townhomes	Marble Falls

Dan Allgeier, New Rock Companies, provided testimony regarding a fee waiver for the project Residence at Onion Creek.

Melissa Adami, provided testimony regarding a fee waiver and extension.

**Multifamily Division Items – Private Activity Bond Program:**

- e) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2011, Resolution No. 11-014
 

11600	Chatham Green	Arlington
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- f) Presentation, Discussion, and Possible Action on the Release and Termination Agreement for Multifamily Housing Revenue Bonds Sphinx at Delafield Series 2004, Resolution No. 11-016

**HOME**

- g) Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director
- h) Presentation, Discussion, and Possible Action on HOME Program Multifamily Development Award Recommendations
 

10040	Ashton Senior Village	Schertz
10262	Las Brisas Manor	Del Rio
- i) Presentation, Discussion and Possible Action to Approve for publication in the *Texas Register* final order adopting amendments to the HOME Program Rule, 10 Texas Administrative Code Chapter 53, Subchapters B, C, D, and H

**Office of Colonia Initiatives**

- j) Presentation, Discussion, and Possible Action on the appointment of new Colonia Residents Advisory Committee (C-RAC) members for Val Verde County

**Program Services**

- k) Presentation, Discussion, and Possible Action on Department policy on "HUD Section 3" (to comply with 24 CFR 135)

John Henneberger, Texas Low Income Housing Information Service, provided testimony.

**Housing Resource Center**

- l) Presentation, Discussion and Possible Approval to publish for public comment the draft 2011 State of Texas Low Income Housing Plan and Annual Report

**Community Affairs**

- m) Presentation, Discussion, and Possible Action to rescind Resolution No. 11-006 and adopt new Resolution No. 11-015 to reflect changes to the 2011 Section 8 Payment Standards for Housing Choice Vouchers in Denton and Ellis Counties

**Motion by Ms. Bingham-Escareño to approve the Consent Agenda, amending Item (d) to approve extensions but defer any decisions on associated waivers until January 2011 and amending Item (k) as recommended by staff; duly seconded by Mr. Keig; passed unanimously.**

## PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Elizabeth Mueller, professor of community and regional planning at the University of Texas at Austin, provided testimony on Affordable Housing and Access to Opportunity: Locational patterns produced through state allocation of Low Income Housing Tax Credits in Texas, by Kathryn Howell, MPP and Elizabeth Mueller, PhD.

Marc Eichenbaum, Public Information Officer, Inter-government Relations and Public Affairs, city of Houston Housing and Community Development Department, provided testimony regarding Houston's selection to be an Urban Land Institute Rose Fellow.

Steve Moore, Premier Apartments in Houston, Project 09919, provided testimony.

Michael Marz, First Southwest Company, representing Plains Capital Bank, provided testimony on the single family program, Item 5(f).

## ACTION ITEMS

### AGENDA ITEM 2: ARRA ACCOUNTABILITY AND OVERSIGHT:

- a) Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)

**Report item only, no action taken.**

### AGENDA ITEM 3: APPEALS:

- a) Presentation, Discussion, and Possible Action on Multifamily Program Appeals:  
08184 Washington Lofts

**Withdrawn from consideration until the next meeting.**

10290 Magnolia Place Apartments

Bert Magill provided testimony.

**Motion by Mr. Gann to approve staff recommendation; duly seconded by Ms. Bingham-Escareño; passed unanimously.**

Appeals Timely Filed

**None filed.**

- b) Presentation, Discussion, and Possible Action on Tax Credit Assistance Program Appeals:  
Appeals Filed Timely

**None filed.**

- c) Presentation, Discussion, and Possible Action on HOME Program Appeals:  
Appeals Filed Timely

**None filed.**

- d) Presentation, Discussion, and Possible Action on Underwriting Appeals:  
Appeals Filed Timely

**None filed.**

### AGENDA ITEM 4: MULTIFAMILY DIVISION ITEMS - HOUSING TAX CREDIT PROGRAM

- a) Presentation, Discussion and Ratification of the Issuance of Awards from the 2010 Competitive Housing Tax Credit Waiting List of Applications

10009	Creekside Village	Rowlett	
10018	Granbury Seniors	Granbury	
10023	Burkburnett Pioneer Crossing for Seniors	Burkburnett	
10024	Canutillo Palms	El Paso	FWD
10027	The Huntington at Greenville	Allen	
10033	Sulphur Springs Pioneer Crossing for Seniors	Sulphur Springs	FWD

10039	Paris Retirement Village II	Paris	
10040	Ashton Senior Village	Schertz	FWD
10044	Wynnewood Seniors Housing	Dallas	FWD
10045	North Court Villas	Frisco	FWD
10050	West Park Senior Housing	Corsicana	
10059	Westway Place	Corsicana	
10062	Willow Bay Apts	Fort Worth	
10075	Vermillion Park	Mesquite	
10076	Darson Marie Terrace	San Antonio	
10080	Rolling Meadows	Kemah	
10089	Silver Spring at Chapel Hill	Fort Worth	
10090	Silver Spring at Forney	Forney	FWD
10092	Silver Spring Grand Heritage	Lavon	
10093	Greenhaus at East Side Apts	Dallas	
10096	The Orchard at Westchase	Houston	
10101	Lafayette Park Apts	Houston	
10108	Griffith Road Apts	Abilene	
10113	Promenade at Mercer Crossing	Farmers Branch	
10114	The Terrace at Haven for Hope	San Antonio	FWD
10117	Terrell Homes I	Fort Worth	FWD
10118	San Juan Square III	San Antonio	
10120	Montabella Senior	San Antonio	
10121	Mesquite Place	Pearsall	
10128	Ventana Pointe	Houston	
10132	Seaside Manor	Ingleside	
10134	Champion Homes at Copperridge	Dallas	
10135	Champion Homes at Canyon Creek	Brownsville	FWD
10137	Evergreen at Wylie	Wylie	
10151	Sunflower Estates	La Feria	FWD
10152	Shady Oaks	Austin	FWD
10158	Sedona Ranch	Fort Worth	FWD
10160	Creekside Place	New Braunfels	
10162	Promontory Pointe	Austin	
10183	Cypress Creek at Four Seasons Farm	Kyle	
10184	Cypress Creek at Veterans Memorial	Houston	
10186	Mariposa at Calder Drive	League City	
10200	Hillside West Seniors	Dallas	FWD
10202	Brae Estates	Fort Worth	
10221	Residences at Rowlett Creek	Garland	
10223	Sunset Terrace Senior Village	Pharr	
10225	North MacGregor Arms	Houston	
10228	Wintersprings Apts	Humble	
10229	Hannover Park	Spring	
10232	Evergreen Residences-3800 Willow	Dallas	FWD
10233	Kleberg Commons	Dallas	
10235	Villas of Giddings	Giddings	
10241	Timberland Trails Apts	Lufkin	
10250	Willow Meadow Place Apts	Houston	
10257	The Colony at Lake Granbury	Granbury	
10274	Grand Manor Apts	Tyler	
10290	Magnolia Place Apts	Houston	

**Motion by Mr. Keig to approve staff recommendation as presented (Orchard at Westchase, Magnolia Place, Timberland Trails Apartments, Sulphur Springs, Pioneer, and Ashton Senior Village); duly seconded by Ms. Bingham-Escareño; passed unanimously.**

- b) Presentation and Discussion of the Status of Applications Awarded Housing Tax Credit Exchange Funds and Ratification for the following Exchange Awards
- |       |                       |         |
|-------|-----------------------|---------|
| 09370 | Riverplace Apartments | Hooks   |
| 09366 | Guadalupe Crossing    | Comfort |

**Motion by Mr. Gann to approve staff recommendation; duly seconded by Mr. Keig; passed unanimously.**

**AGENDA ITEM 5: BOND FINANCE:**

- a) Report of TDHCA Financial Advisor
- b) Presentation, Discussion and Possible Action on Resolution No. 11-013 authorizing application to the Texas Bond Review Board for reservation of the 2010 single family private activity bond authority carryforward from the Unencumbered State Ceiling
- c) Presentation, Discussion and Possible Action on Resolution 11-009 authorizing the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of first tranche of 2009C (Program 77)
- d) Presentation, Discussion and Possible Action on Resolution No. 11-010 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 1998AB and 1999A and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD
- e) Presentation, Discussion and Possible Action on Resolution No. 11-011 authorizing the sale of mortgage certificates and redemption of bonds from Residential Mortgage Revenue Bonds Series 2001ABC and sale of mortgage certificates from Residential Mortgage Revenue Bonds Series 2000BCD
- f) Presentation, Discussion and Possible Action on Resolution No. 11-012 authorizing the extension of the Department's warehouse agreement

**Motion by Ms. Bingham-Escareño to approve staff recommendations for Item 5 as a group; duly seconded by Mr. Gann; passed unanimously.**

**AGENDA ITEM 6: COMMUNITY AFFAIRS**

- a) Presentation, Discussion and Possible Action on the Program Year 2011 Comprehensive Energy Assistance Program (CEAP) annual allocation recommendations
- b) Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) annual allocation recommendations
- c) Presentation, Discussion and Possible Action on the Program Year 2011 Community Services Block Grant (CSBG) Discretionary Notice of Funding Availability (NOFA)
- d) Presentation, Discussion, and Possible Action to Ratify the award made by the Executive Director to Community Action Corporation of South Texas of the CSBG, ARRA WAP, DOE WAP, LIHEAP WAP and CEAP programs for Duval County, the service area formerly served by Institute of Rural Development

**Motion by Mr. Gann to approve staff recommendations for Item 6 as a group; duly seconded by Mr. Keig; passed unanimously.**

#### AGENDA ITEM 7: DISASTER RECOVERY

- a) Presentation, Discussion, and Possible Action regarding Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Ike/Dolly Round I Funding
- |          |                 |         |
|----------|-----------------|---------|
| 70090001 | City of Houston | Houston |
| 70090003 | Harris County   | Houston |

**Motion by Ms. Bingham-Escareño to approve staff recommendation; duly seconded by Mr. Gann; passed unanimously.**

- b) Presentation, Discussion, and Possible Action regarding Disaster Recovery Housing Program Guidelines

**Motion by Mr. Keig to approve staff recommendation; duly seconded by Mr. Gann; passed unanimously.**

- c) Presentation, Discussion, and Possible Action regarding Application Awards for Round II Phase I
- |        |  |
|--------|--|
| 10-001 | Lower Rio Grande Valley Development Council (LRGVDC) |
| 10-003 | Harris County  |
| 10-004 | Montgomery County                                    |
| 10-006 | Deep East Texas Council of Governments (DETCOG)      |
| 10-007 | City of Houston                                      |
| 10-008 | Houston-Galveston Area Council (HGAC)                |
| 10-009 | City of Galveston                                    |

**Motion by Ms. Bingham-Escareño to approve staff recommendation; duly seconded by Mr. Gann; passed unanimously.**

- d) Presentation, Discussion and Possible Action to increase interest rate for Marina Landing
- Motion by Mr. Keig to approve staff recommendation as amended; duly seconded by Ms. Bingham-Escareño; passed unanimously.**

#### AGENDA ITEM 8: COMPLIANCE AND ASSET OVERSIGHT

- a) Presentation, Discussion, and Possible Approval of an agreed order for the debarment of David Starr
- Motion by Mr. Keig to approve staff recommendation; duly seconded by Mr. Gann; passed unanimously.**

#### EXECUTIVE SESSION

At 11:25 a.m. Mr. Conine convened the Executive Session.

1. The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
2. Pursuant to Tex. Gov't. Code, §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer, including:
  - a) *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al* filed in federal district court, Northern District of Texas
  - b) *Caroline Miller, et al. vs. State of Texas, et al*, filed in District Court for Travis County
  - c) *Claim of Gladys House* filed with the EEOC;
3. Pursuant to Tex. Gov't. Code, §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Tex. Gov't. Code, Chapter 551; or
4. Pursuant to Tex. Gov't. Code, §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person.



**OPEN SESSION**

At 11:30 a.m. Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

**ADJOURN**

Since there was no other business to come before the Board, the meeting was adjourned at 12:12 p.m. on December 17, 2010.

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Michele Atkins, Assistant Board Secretary

For a full transcript of this meeting, please visit the TDHCA website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

**EXECUTIVE  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Approve the recommended amounts of administrative penalties for the properties listed below and authorize staff to proceed with the initiation of contested case hearings:

<b>Owner</b>	<b>Property</b>	<b>File Number</b>
1801 Campbell Road Apartments, Ltd.	Campbell Road Apartments	HTC 70023
Southmore Park Apartments, Ltd.	Southmore Park Apartments	HTC 94004
Fremont-Parklane, LLC	Parklane I Apartments	HTC 70020
Fremont-Parklane, LLC	Parklane II Apartments	HTC 70022
Community Action Council of South Texas	Arturo Figueroa Homes	HOME 532307
Community Action Council of South Texas	Francisco Zarate Homes	HOME 532306
Community Action Council of South Texas	Tomas Molina Homes	HOME 532329

**WHEREAS**, 1801 Campbell Road Apartments, Ltd., Southmore Park Apartments, Ltd., Fremont Parklane, LLC and Community Action Council of South Texas each have a documented record of significant and continuing uncorrected violations and

**WHEREAS**, staff has based its recommendations for the assessment of administrative penalties on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case

It is hereby

**RESOLVED**, that this Board accepts staff's recommendations regarding the assessment of administrative penalties, approves the issuance by the Executive Director of a Notice of Violation to 1801 Campbell Road Apartments, Ltd., Southmore Park Apartments, Ltd., Fremont Parklane, LLC and Community Action Council of South Texas and authorizes and directs the Executive Director and his designees to do all things necessary to pursue the assessment of administrative penalties in the following amounts, including a contested case hearing before an administrative law judge with the State Office of Administrative Hearings:

- \$ 35,500.00 for Campbell Road Apartments;
- \$ 30,825.00 for Southmore Park Apartments;
- \$100,000.00 for Parklane I Apartments;
- \$100,000.00 for Parklane II Apartments;
- \$ 26,475.00 for Arturo Figueroa Homes;
- \$ 19,700.00 for Francisco Zarate Homes;
- \$ 2,625.00 for Tomas Molina Homes.

## Background

### **Campbell Road Apartments**

1801 Campbell Road Apartments, Ltd received an allocation totaling \$240,750.00 in low income housing tax credits in 1990. The Campbell Road Apartments are in material noncompliance and have had consistent compliance problems for over ten years. While partial corrective action has been received, neither the Compliance and Asset Oversight Division nor the Department's Enforcement Committee has been able to bring the property into full compliance and the owner has missed corrective deadlines.

#### Outstanding File monitoring violations:

- a. Household income above limit upon initial occupancy: Units 4, 7, 11, 12;
- b. Failure to permit access to the Property premises and records for onsite monitoring review scheduled for August 19, 2010;

#### Outstanding Uniform physical condition standards violations from 2007 and 2008 inspections:

- a. Health and Safety violation caused by sidewalk heaving in front of Building 1;
- b. Walkways and steps throughout property have trip hazards caused by spalling, cracks, settlement and/or heaving;
- c. Parking and drives contain potholes and loose material;
- d. Back fence damaged and incomplete;
- e. Buildings 1 and 2:
  - a. Peeling exterior paint;
  - b. Holes and deteriorated paint on walls and ceilings of stairways and corridors;
  - c. Damaged surfaces, rust and missing paint affecting exterior doors.
- f. Missing stairway handrails affecting units 7, 9, 10, 13;
- g. Damaged refrigerator gasket in unit 7;
- h. Deteriorated entry door seals in units 1 and 2.

Consistent with direction from the Department's Enforcement Committee, a penalty in the amount of \$35,500.00 is recommended.

## **Southmore Park Apartments**

Southmore Park Apartments, Ltd. received an allocation totaling \$2,375,230 in low income housing tax credits in 1994. Southmore Park Apartments are in material noncompliance and have had consistent compliance problems for over ten years. While partial corrective action has been received, neither the Compliance and Asset Oversight Division nor the Department's Enforcement Committee has been able to bring the property into full compliance and the owner has missed corrective deadlines.

### Outstanding File Monitoring Violations:

- a. Household Income Above Income Limit Upon Initial Occupancy: Units 107, 205, 402, 504, 508, 702, 703, 801, 804, 806, 812
- b. 2006 UPCS Violations (14 items including );
- c. Annual Owner's Compliance Reports for the years 2006, and 2007;
- d. Failure to affirmatively market the property.

### Outstanding Uniform physical condition standards violations from 2006 inspection:

- a. Health and safety violation as a result of a blocked fire exit in unit 206;
- b. Holes, deteriorated paint and spalling on exteriors of Buildings 1, 2, 3, 4, 5, 6, 7 and 8;
- c. Damaged shower/tub in units 117, 119;
- d. Missing/inoperable refrigerators in units 420, 507;
- e. Leaking faucet and pipes in the bathroom of unit 507;
- f. Stains and peeling on exterior of Building 8;
- g. Missing and damaged components from gutter downspout.

Consistent with direction from the Department's Enforcement Committee, a penalty in the amount of \$30,825.00 is recommended.

## Parklane I Apartments and Parklane II Apartments

Fremont-Parklane, LLC is the current owner of: 1) Parklane I Apartments, which received an allocation totaling \$761,140 in low income housing tax credits in 1990 and 2) Parklane II Apartments, which received an allocation totaling \$658,350 in low income housing tax credits in 1991. Both properties are in material noncompliance and the past three Uniform Physical Condition Standards Inspections (“UPCS Inspections”) showed that the properties are in extremely poor condition. Neither the Compliance and Asset Oversight Division nor the Department’s Enforcement Committee has been able to bring the properties into compliance and the owner has missed all corrective deadlines.

Parklane I - outstanding file monitoring violations:

- a. Household above income upon initial occupancy: property-wide;
- b. Failure to provide tenant income certification: Building 2;
- c. Owner failed to submit annual certification for the year 2009;

Parklane I - outstanding UPCS violations:

Violation Types:	2006 inspection**	2008 inspection**	2009 inspection**
a. L1 Violations*	7	21	81
b. L2 Violations*	20	26	122
c. L3 Violations*	11	25	71
d. L3 (Health and Safety) Violations*	13	7	1

*\*On a scale from L1 through L3 (Health & Safety), with the latter being the most serious.*

*\*\*See pages 7 – 29 of Attachment I for full list of violations*

Parklane II - outstanding file monitoring violations:

- a. Household above income upon initial occupancy: property-wide;
- b. 1996 & 1997 Owner certifications resulting in HH income above the limit: property-wide;
- c. Owner failed to submit annual certification for the year 2009;
- d. Changes in eligible basis;
- e. Owner failed to provide tenant income certification: Buildings 3, 5, 6, 7, 9.
- f. Unit not available for rent: 1 unit;

Parklane II - outstanding UPCS violations:

Violation Types:	2006 inspection**	2008 inspection**	2009 inspection**
a. L1 Violations*	25	38	84
b. L2 Violations*	24	44	89
c. L3 Violations*	26	55	217
d. L3 (Health and Safety) Violations*	22	12	20

*\*On a scale from L1 through L3 (Health & Safety), with the latter being the most serious.*

*\*\*See pages 30 – 67 of Attachment I for a full list of violations.*

After reviewing the recommendation of the Department’s Enforcement Committee, the Executive Director recommends the following penalties:

- 1. With respect to Parklane I Apartments: \$100,000.00
- 2. With respect to Parklane II Apartments: \$100,000.00

## **Arturo Figueroa Homes, Francisco Zarate Homes and Tomas Molina Homes**

Community Action Council of South Texas is the owner of multiple properties that are in material noncompliance. Arturo Figueroa Homes are encumbered by a HOME loan dated November 18, 1994 in the amount of \$222,500, Francisco Zarate Homes are encumbered by a HOME loan dated December 23, 1994 in the amount of \$356,200 and Tomas Molina Homes are encumbered by a HOME loan dated June 21, 2000 in the amount of \$235,050. Neither the Compliance and Asset Oversight Division nor the Department's Enforcement Committee has been able to bring the properties into compliance.

### Arturo Figueroa Homes – outstanding file monitoring violations:

- a. Gross rent exceeds limit for unit 4.

### Arturo Figueroa Homes – outstanding UPCS violations from 2009 inspection:

- a. Unit 105: Shower head leaking water onto painted wall; tub faucet leaking in hall bathroom; front door keyless deadbolt inoperable; inoperable smoke detector in child's bedroom.
- b. Unit 107: Tree growing onto roof; shower head leaking water onto painted wall; GFI inoperable in bathroom; water leak under kitchen sink; kitchen cabinets damaged under sink; missing range hood screen; water damage to wall behind shower head;
- c. Unit 111: Erosion by condenser unit at side of house; appliance stored on patio; debris in backyard by damaged fence; sink leaking in hall bathroom; missing tub spout; front door keyless deadbolt inoperable; door surface is separating on second bedroom door; damaged door frames, thresholds, lintels, trim; range hood missing screen; refrigerator seal damaged; missing/inoperable dryer vent; inoperable living room smoke detector;
- d. Unit 106 / 2106: Rotten door frame for water heater closet; weed eater stored in water heater closet; light visible through damaged rear door; kitchen GFI inoperable.

### Francisco Zarate Homes – outstanding file monitoring violations:

- a. Gross rents exceeded limits for units 1 through 7.

### Francisco Zarate Homes – outstanding UPCS violations from 2009 inspection: Inspection:

- a. Building 1 (159): exterior electrical duplex cover missing; second window cracked; bedroom door hardware inoperable; master bedroom door needs paint; missing electrical plug cover in living room; refrigerator seal damaged; inoperable dryer vent; inoperable smoke detectors in living room and fourth bedroom; cracked windows in master bedroom.
- b. Building 2 (163): Refrigerator seal damaged;
- c. Building 3 (167): Erosion by sidewalk; missing exterior electrical duplex cover; hole in ceiling in laundry room; closet bi-fold door requires paint; back door passage lock inoperable, inoperable smoke detectors in child's room and living room;
- d. Building 4 (171): Condenser electrical box missing inside cover; gas stored by house; stained exterior paint; back door threshold wood is rotten; missing range hood screen;
- e. Building 5 (175): Erosion on side and front of house; bottom of water heater closet rotten; condenser electrical box missing inside cover and unsecured; exposed wires in condenser; broken light fixture at rear door; rotten roof fascia at corner of house; exterior paint stained; inoperable GFI in bathroom;

- f. Building 6 (1722): back door primed but not painted; exterior wall staining; missing more than three window screens; tub faucet handle missing; sing stoppers missing in both bathrooms; damaged front door; laundry door missing; hole in child's bedroom door; four inoperable/missing smoke detectors;
- g. Building 7 (1724): Front door primed but not painted; closet door needs paint; inoperable smoke detector in living room.

Tomas Molina Homes – outstanding file monitoring violations:

- a. Gross rents exceeded limits for units 1 through 5.

Consistent with direction from the Department's Enforcement Committee, the following penalties are recommended:

- a. With respect to Arturo Figueroa Homes: \$24,475.00
- b. With respect to Francisco Zarate Homes: \$ 19,700.00
- c. With respect to Tomas Molina Homes: \$ 2,625.00

## Attachment I

### Parklane I Apartments – 3/13/2006 Inspection

Bldg	Location	L1	L2	L3	H&S	Deficiency
1	exterior				x	Exterior electrical panel covers missing. Exposed wiring.
1	exterior		x			Missing pieces, holes and spalling in exterior walls.
1	Unit 203		x			Door damage including holes, rusting and deteriorated paint.
1	Unit 203			x		Electrical unit panel missing breakers/fuses.
1	Unit 208		x			Damaged hardware/locks on doors.
1	Unit 210			x		Deteriorated entry door seal.
1	Unit 210				x	Insect infestation.
1	Unit 210	x				Deteriorated refrigerator door seal.
1	Unit 224		x			Door damage including holes, rusting and deteriorated paint.
1	Unit 224			x		Stove has two inoperable burners.
1	Unit 224	x				Deteriorated refrigerator door seal.
2	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
2	Exterior		x			Damaged gutter downspouts.
2	Exterior		x			Missing pieces, holes and spalling in exterior walls.
2	Unit 302			x		Electrical unit panel missing breakers/fuses.
2	Unit 302	x				Range exhaust fan inoperable due to excessive grease.
2	Unit 302	x				Missing/inoperable refrigerator.
2	Unit 306		x			Door damage including holes, rusting and deteriorated paint.
2	Unit 306			x		Deteriorated entry door seal.
2	Unit 306				x	Trip hazard - tv cable on floor.
2	Unit 306			x		Hallway smoke detector inoperable.
3	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
3	Exterior	x				Missing/damaged roof shingles.
3	Exterior		x			Missing pieces, holes and spalling in exterior walls.
4	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
4	Unit 502		x			Damaged/clogged water closet in bathroom.
4	Unit 502				x	Exposed wiring at electrical panel.
4	Unit 502	x				Range exhaust fan inoperable due to excessive grease.
4	Unit 502			x		Hallway smoke detector inoperable.
4	Unit 502			x		Electrical unit panel missing breakers/fuses.
5	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
5	Exterior		x			Damaged gutter downspouts.
5	Exterior		x			Missing pieces, holes and spalling in exterior walls.
6	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
6	Exterior		x			Damaged gutter downspouts.
6	Exterior		x			Missing pieces, holes and spalling in exterior walls.
6	Unit 701				x	Trip hazard - tv cable on floor.
6	Unit 701			x		Hallway smoke detector inoperable.
6	Unit 702	x				Missing/inoperable stove.



Bldg	Location	L1	L2	L3	H&S	Deficiency
7	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
7	Exterior		x			Damaged gutter downspouts.
7	Exterior		x			Missing pieces, holes and spalling in exterior walls.
8	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
8	Exterior		x			Damaged gutter downspouts.
8	Exterior		x			Missing pieces, holes and spalling in exterior walls.
Office	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
Office	Exterior			x		Damaged roof soffits/fascia
Office	Exterior		x			Damaged gutter downspouts.
Office	Mechanical		x			Holes/cracks in ceiling of boiler room.
Office	Mechanical			x		Missing electrical covers in boiler room.
Office	Mechanical		x			Damaged walls in boiler room

Totals            7    20    11    13

*Note: UPCS violations are scored according to severity from L1 through L3 ( Health & Safety), with the latter being the most serious*

Uncorrected    7    20    11    13

**Parklane I Apartments – 6/16/2008 Inspection**

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
N/A	Fencing and Gates			X		Holes	large holes in perimeter fences	
N/A	Grounds		X			Erosion/Rutting Areas	erosion around several buildings	
N/A	Grounds		X			Overgrown/Penetrating Vegetation	trees touching roofs	
N/A	Grounds				X	Hazards - Tripping	walkways - multiple locations - offset over 3/4 inch causes trip hazards	x
N/A	Parking/ Drives		X			Cracks	large cracks in over 15% of parking areas	
N/A	Parking/ Drives			X		Potholes/Loose Material	large potholes make parts of parking lot inaccessible	x
N/A	Parking/ Drives			X		Settlement/Heaving	settlement and heaving over 15% of parking areas	
200	Building Exterior	X				Missing/Damaged Components from Downspout/Gutter	splash blocks missing	
200	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
200	Building Exterior	X				Stained/Peeling/Needs Paint	peeling paint	
200	Building Exterior	X				Damaged/Missing Window Screens	3 or more missing	
200	Electrical System			X		Missing Covers	breaker box inner covers missing	
200	Unit 202		X			Rot/Deteriorated Subfloor	kitchen floor dry rot	
200	Unit 209				X	Infestation - Insects	kitchen - live roaches	
200	Unit 209	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
200	Unit 209			X		Smoke detector missing/inoperable	inoperable - fixed on site	x
200	Unit 223		X			Kitchen cabinets - Missing/Damaged	doors and bases damaged	
200	Unit 223	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
200	Unit 223	X				Cracked/Broken/Missing Window Panes	bedroom glass cracked	
300	Building Exterior	X				Damaged Roof Soffits/Fascia	soffits damaged	
300	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
300	Building Exterior		X			Missing/Damaged Shingles	damaged	
300	Building Exterior			X		Missing Pieces/Holes/Spalling	dry rot on siding	
300	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
300	Electrical System			X		Missing Covers	breaker box inner cover missing	
300	Unit: 305				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	2nd bedroom - a/c blocks window egress	x
300	Unit: 305		X			Cabinets - Missing/Damaged	drawers missing	
300	Unit: 305			X		Missing/Broken Cover Plates	bathroom - wall plug cover plate missing - fixed on site	x
300	Unit: 305			X		Smoke Detector Missing/Inoperable	missing	
300	Unit: 309							
300	Unit: 309				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bdrm window nailed shut	
300	Unit: 309		X			Cabinets - Missing/Damaged	doors and shelves damaged	
300	Unit: 309	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
300	Unit: 309			X		Smoke Detector Missing/Inoperable	inoperable	
400	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
400	Building Exterior		X			Missing/Damaged Shingles	damaged	
400	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
400	Building	X				Stained/Peeling/Needs	exterior needs paint	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
400	Building Exterior	X				Damaged/Missing Window Screens	3 or more missing	
400	Electrical System			X		Missing Covers	breaker box inner cover missing	x
400	Unit: 407				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bdrm windows nailed shut - blocks egress	
400	Unit: 408 - vacant							
400	Unit: 408 - vacant			X		Damaged Door Surface (Holes/Paint/Rusting)	hole in entry door over 1 sq inch	
400	Unit: 408 - vacant			X		Refrigerator-Missing/Damaged/Inoperable	missing	
500	Building Exterior	X				Damaged Roof Soffits/Fascia	soffit damaged	
500	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	downspouts damaged	
500	Building Exterior		X			Missing/Damaged Shingles	damaged	x
500	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
500	Electrical System			X		Missing Covers	breaker box inner cover missing	
500	Unit: 506			X		Missing Breakers/Fuses	open breaker ports	
500	Unit: 512	X				Missing Door	bedroom door missing	
600	Building Exterior							
600	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	downspouts damaged	
600	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
600	Building Exterior	X				Stained/Peeling/Needs Paint	peeling paint	
600	Electrical System			X		Missing Covers	breaker box inner cover missing	
600	Sanitary System			X		Missing Drain/Cleanout/Manhole Covers	sewer clean out cover missing	
600	Unit: 605		X			Bathroom Ventilation/Exhaust System - Inoperable	inoperable	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
600	Unit: 605	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
600	Unit: 605	X				Missing/Broken Cover Plates	bedroom light switch cover plate cracked	x
600	Unit: 611				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bedroom window nailed shut - fixed on site	x
600	Unit: 611		X			Dishwasher/Garbage Disposal - Damaged/Inoperable	disposal inoperable	x
600	Unit: 611			X		Range Hoods/Exhaust Fans -Excessive Grease/Inoperable	exhaust fan inoperable	
600	Unit: 611			X		Smoke Detector Missing/Inoperable	inoperable - fixed on site	x
600	Unit: 612				X	Hazards - Tripping	living room - cable trip hazards	
600	Unit: 612			X		Infestation - Insects	kitchen - live roaches	
600	Unit: 612			X		Smoke Detector Missing/Inoperable	inoperable - fixed on site	x
700	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
700	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
700	Building Exterior	X				Stained/Peeling/Needs Paint	peeling paint	
700	Electrical System			X		Missing Covers	breaker box inner cover missing	
700	Unit: 704			X		Smoke Detector Missing/Inoperable	missing	
700	Unit: 708		X			Water Stains/Water Damage/Mold/Mildew	water stains on living rm ceiling	
700	Unit: 708		X			Rot/Deteriorated Subfloor	kitchen subfloor spongy	
700	Unit: 708			X		Smoke Detector Missing/Inoperable	inoperable	
800	Building Exterior	X				Damaged Roof Soffits/Fascia	soffit damaged	
800	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	down spouts missing	
800	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
800	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
800	Electrical System			X		Missing Covers	breaker box inner cover missing	
800	Unit: 801	X				Needs Paint	laundry ceiling peeling paint	x
800	Unit: 801				X	Hazards - Tripping	hallway - cable causes trip hazards	x
800	Unit: 801			X		Infestation - Insects	kitchen - liveroaches	
800	Unit: 801			X		Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	1st bedroom - furniture blocks egress	x
800	Unit: 801			X		Smoke Detector Missing/Inoperable	in operable	
800	Unit: 802				X	Infestation - Insects	kitchen - live roaches	
800	Unit: 802			X		Smoke Detector Missing/Inoperable	missing - fixed on site	x
800	Unit: 802	X				Needs Paint	laundry walls need paint	
800								
800								
800	Unit: 806	X				Damaged Hardware/Locks	2nd bedroom closet door hardware missing	x
800	Unit: 806				X	Infestation - Insects	kitchen - live roaches seen	
800	Unit: 806	X				Plumbing - Leaking Faucet/Pipes in Kitchen	kitchen sink faucet leaks	x
800	Unit: 806			X		Smoke Detector Missing/Inoperable	inoperable - fixed on site	x
900	Building Exterior	X				Damaged Roof Soffits/Fascia	soffitt damaged	
900	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	down spouts damaged	
900	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
900	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
900	Unit: 902			X		Deteriorated/Missing Door Seals (Entry Only)	entry door seal has failed	
900	Unit: 902			X		Smoke Detector Missing/Inoperable	inoperable - fixed on site	x
900	Unit: 905				X	Infestation - Insects	kitchen - live roaches	
900	Unit: 905			X		Missing/Inoperable	inoperable	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
Office	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	down spouts damaged	
Utility /Mechanical	Building Exterior			X		Damaged Door Surface (Holes/Paint/Rusting)	boiler room entry door surface peeling	
Utility /Mechanical	Electrical System			X		Missing Electrical Covers	boiler rm breaker box cover missing	

Totals: 25 29 35 11  
Corrected: 4 3 10 4  
Uncorrected: 21 26 25 7

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**Parklane I Apartments – 2/27/2009 Inspection**

<b>Bldg</b>	<b>Location</b>	<b>L1</b>	<b>L2</b>	<b>L3</b>	<b>H&amp;S</b>	<b>Deficiency</b>	<b>Notes</b>	<b>Fixed</b>
N/A	Grounds		x			Erosion/Rutting Areas		
N/A	Grounds - throughout			x		Overgrown/Penetrating Vegetation		
N/A	Grounds - throughout		x			Ponding/Site Drainage		
N/A	Parking Lots/ Driveways/ Roads	x				Potholes/Loose Material		
N/A	Grounds - throughout		x			Ponding/Site Drainage	Parking lots	
N/A	Walkways/S teps - throughout				x	Health and safety	Broken sidewalk sections have worn lumber throughout complex grounds	
N/A	Walkways/S teps - throughout			x		Crack/Settlement/Heaving	Broken sidewalk sections create trip hazards	
N/A	Walkways/S teps		x			Cracks/Settlement/Heaving		
N/A	Walkways/S teps		x			Spalling		
N/A	Site		x			Graffiti		
N/A	Site		x			Litter		
N/A	Fencing and Gates**			x		Missing Sections	missing/damaged sections of fence	
1	BldgExt		x			Wall Cracks/Gaps		
1	BldgExt		x			Walls Stained/Peeling/Needs Paint		
1	BldgExt			x		Walls Missing Pieces/Holes/Spalling		
1	BldgExt	x				Damaged/Missing Screen/Storm/Security Door		
1	BldgExt			x		Broken/Missing/Cracked Window Panes	Broken window Throughout	
1	BldgExt			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
1	BldgExt		x			Gutter/Downspout Missing/Damaged		



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
1	BldgExt		x			Broken Fixtures/Bulbs		
1	BldgExt			x		Electrical Hazards - Exposed Wires/Open Panels	panel	
1	BldgSys			x		Missing/Damaged/Expired Extinguishers		
1	CA		x			Ceilings of Halls/ Corridors/Stairs: covered in Water Stains/Water Damage/Mold/Mildew		
1	CA		x			Walls of Halls/ Corridors/ Stairs: Damaged/Deteriorated Trim		
1	CA		x			Lighting in Halls/ Corridors/ Stairs- Missing/Damaged/Inoperable Fixtures		
1	CA		x			Walls of Halls/ Corridors/ Stairs - Damaged		
1	CA		x			Walls of Halls/ Corridors/ Stairs- Peeling/Needs Paint		
1	Unit 208	x				Walls Peeling/Needs Paint		
1	Unit 208		x			Damaged Door Frames/Threshold/Lintels/ Trim		
1	Unit 208	x				Windows Inoperable/Not Lockable		
1	Unit 208			x		Insect infestation		
1	Unit 212			x		Living room walls Damaged	A/C damaged wall	
1	Unit 212		x			Water Stains/Water Damage/Mold/Mildew on Ceiling		
1	Unit 212	x				Floor Covering Damage		
1	Unit 212	x				Damaged Hardware/Locks on Doors		
1	Unit 212			x		Kitchen & living room window locks Inoperable/Not Lockable	locks not working	
+	Unit 212	-	-	x	-	Living room smoke detector Missing/Inoperable		onsite
1	Unit 212		x			Kitchen Cabinets - Missing/Damaged		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
1	Unit 212	x				Kitchen Plumbing - Leaking Faucet/Pipes		
1	Unit 212	x				Shower/Tub - Damaged/Missing		
1	Unit 217	x				Walls Peeling/Need Paint		
1	Unit 217			x		Windows Inoperable/Not Lockable	lock not working	
1	Unit 217			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	not working	
1	Unit 217		x			Range/Stove - Missing/Damaged/Inoperable		
2	Building Exterior		x			Stained/Peeling/Needs Paint		
2	Building Exterior			x		Missing Pieces/Holes/Spalling on walls		
2	Building Exterior		x			Missing/Damaged Caulking/Mortar on walls		
2	Building Exterior	x				Damaged/Missing Window Screens		
2	Building Exterior			x		Broken/Missing/Cracked Window Panes	throughout	
2	Building Exterior		x			Missing/Damaged Shingles		
2	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
2	Building Exterior		x			Missing/Damaged Components from Downspout/Gutter		
2	Building Exterior	x				Damaged Roof Soffits/Fascia		
2	Building Exterior		x			Broken Fixtures/Bulbs		
2	Building Exterior			x		Exposed Wires/Open Panels	exposed wires	
2	Building Interior		x			Ceiling of Halls/ Corridors/ Stairs - Holes/Missing Tiles/Panels/Cracks in Halls/ Corridors/ Stairs		
2	Building Interior		x			Walls of Halls/ Corridors/ Stairs - Damaged/ Deteriorated Trim		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
2	Building Interior		x			Walls of Halls/ Corridors/ Stairs- Damaged		
2	Building Interior		x			Walls of Halls/ Corridors/ Stairs- Peeling/Needs Paint**		-
2	Unit 305	-	-	x	-	<del>Bathroom smoke detector</del> Missing/Inoperable		onsite
2	Unit 305	x				Bathroom Plumbing - Leaking Faucet/Pipes		
2	Unit 305	x				Shower/Tub - Damaged/Missing		
2	Unit 306	x				Damaged Door Hardware/Locks		
2	Unit 306		x			Kitchen Cabinets - Missing/Damaged		
2	Unit 306	x				Range Hood/Exhaust Fans - Excessive Grease/Inoperable		
2	Unit 306			x		Range/Stove - Missing/Damaged/Inoperable	Burners not working	
2	Unit 306	x				Shower/Tub - Damaged/Missing		
2	Unit 306			x		Insect infestation	Roaches	
2	Unit 308	x				Water Stains/Water Damage/Mold/Mildew on ceilings		
2	Unit 308	x				Damaged Door Hardware/Locks		-
2	Unit 308			x		<del>Hallway Smoke Detector</del> Missing/Inoperable		onsite
2	Unit 308	x				Range Hood/Exhaust Fans - Excessive Grease/Inoperable		
2	Unit 308	x				Range/Stove - Missing/Damaged/Inoperable		
2	Unit 308	x				Bathroom Lavatory Sink - Damaged/Missing		
2	Unit 308	x				Shower/Tub - Damaged/Missing		
3	Building Exterior		x			Spalling/Exposed Rebar at foundations		
3	Building Exterior		x			Cracks/Gaps in walls		
3	Building Exterior		x			Stained/Peeling/Need Paint		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
3	Building Exterior			x		Missing Pieces/Holes/Spalling		
3	Building Exterior		x			Missing/Damaged Caulking/Mortar		
3	Building Exterior	x				Damaged/Missing Window Screens		
3	Building Exterior			x		Broken/Missing/Cracked Window Panes		
3	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
3	Building Exterior	x				Missing/Damaged Components from Downspout/Gutter		
3	Building Exterior	x				Damaged Roof Soffits/Fascia		
3	Building Exterior		x			Broken Fixtures/Bulbs		
3	Building Exterior			x		Exposed Wires/Open Electrical Panels	exposed wires	
3	Building Systems		x			Missing/Damaged/Expired Extinguishers		
3	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged/Deteriorated Trim		
3	Building Interior		x			Walls of Halls/ Corridors / Stairs- Damaged		
3	Building Interior		x			Walls of Halls/ Corridors / Stairs- Peeling/Needs Paint		
3	Unit 408	x				Walls Damaged		
3	Unit 408			x		Front Door Damaged Hardware/Locks	missing hardware	
3	Unit 408	x				Windows Inoperable/Not Lockable		
3	Unit 408	x				Range Hood/Exhaust Fans - Excessive Grease/Inoperable		
3	Unit 408	x				Lavatory Sink - Damaged/Missing		
3	Unit 408			x		Insect infestation	Bedroom	
3	Unit 408	-	-	x	-	Living room electrical covers missing.	Cover missing	onsite
3	Unit 411	-	-	x	-	Hallway smoke detector Missing/Inoperable	-	onsite
3	Unit 411		x			Kitchen Cabinets -	Missing/Damaged	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
3	Unit 411		x			Dishwasher/Garbage Disposal - Inoperable		-
3	Unit 411			x		Bedroom Emergency Exits Blocked/Unusable	Blocked	
3	Unit 412		x			Water Stains/Water Damage/Mold/Mildew on ceilings		
3	Unit 412	x				Damaged Door Hardware/Locks		
3	Unit 412	x				Windows Peeling/Needs Paint		
3	Unit 412			x		Bedroom window locks Inoperable/Not Lockable**	lock not working	-
3	Unit 412	-	-	*	-	Hallway smoke detector Missing/Inoperable	-	onsite
3	Unit 412	x				Lavatory Sink - Damaged/Missing		
3	Unit 412	x				Shower/Tub - Damaged/Missing		
4	Building Exterior		x			Cracks/Gaps		
4	Building Exterior		x			Stained/Peeling/Needs Paint		
4	Building Exterior			x		Missing Pieces/Holes/Spalling		
4	Building Exterior		x			Missing/Damaged Caulking/Mortar		
4	Building Exterior	x				Damaged/Missing Window Screens		
4	Building Exterior			x		Broken/Missing/Cracked Window Panes		
4	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
4	Building Exterior	x				Damaged Roof Soffits/Fascia		
4	Building Exterior		x			Broken Fixtures/Bulbs		-
4	Building Exterior			x		Exposed Wires/Open Electrical Panels	exposed wires	
4	Building Systems			x		Missing Drain/Cleanout/Manhole Covers	Cover missing	
4	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged/ Deteriorated Trim		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
4	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged		
4	Building Interior		x			Walls of Halls/ Corridors / Stairs- Peeling/Need Paint		
4	Unit 502		x			Damaged Door Hardware/Locks		
4	Unit 502	x				Lavatory Sink - Damaged/Missing		
4	Unit 502	x				Shower/Tub - Damaged/Missing		-
4	Unit 502	-	-	x	-	Exposed Electrical Wires/Open Panels in Hallway	light fixtures	onsite
4	Unit 507		x			Walls Peeling/Need Paint		
4	Unit 507		x			Damaged Walls		
4	Unit 507		x			Floor Covering Damage		
4	Unit 507			x		Entry Door Damaged Frames/Threshold/Lintels/ Trim	Missing Hardware	
4	Unit 507	x				Windows Inoperable/Not Lockable		-
4	Unit 507			x		Hallway Smoke Detector Missing/Inoperable	not working	
4	Unit 507	x				Lavatory Sink - Damaged/Missing		
4	Unit 507	x				Shower/Tub - Damaged/Missing		
4	Unit 507	x				Bathroom Cabinets - Damaged/Missing		
4	Unit 512		x			Ceilings Peeling/Need Paint		
4	Unit 512	x				Water Stains/Water Damage/Mold/Mildew on Ceiling		
4	Unit 512		x			Floor Covering Damage		
4	Unit 512	x				Damaged Hardware/Locks		-
4	Unit 512			x		Smoke detectors Missing/Inoperable throughout	not working	
4	Unit 512	x				Lavatory Sink - Damaged/Missing		
4	Unit 512	x				Shower/Tub - Damaged/Missing		
5	Building Exterior		x			Cracks/Gaps		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
5	Building Exterior		x			Stained/Peeling/Needs Paint		
5	Building Exterior			x		Missing Pieces/Holes/Spalling		
5	Building Exterior		x			Missing/Damaged Caulking/Mortar		
5	Building Exterior	x				Damaged/Missing Window Screens		
5	Building Exterior			x		Broken/Missing/Cracked Window Panes		
5	Building Exterior	x				Missing/Damaged Shingles		
5	Building Exterior	x				Missing/Damaged Components from Downspout/Gutter		
5	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
5	Building Exterior		x			Broken Fixtures/Bulbs		-
5	Building Exterior			x		Exposed Electrical Wires/Open Panels	exposed wires	
5	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged/ Deteriorated Trim		
5	CA		x			Walls of Halls/ Corridors / Stairs - Water Stains/Water Damage/Mold/Mildew		
5	CA		x			Walls of Halls/ Corridors / Stairs - Damaged		
5	CA		x			Walls of Halls/ Corridors / Stairs - Peeling/Needs Paint		
5	Unit 606	x				Walls Peeling/Need Paint		
5	Unit 606	x				Walls Damaged		
5	Unit 606	x				Windows Inoperable/Not Lockable		-
5	Unit 606	-	-	x	-	Living Room Smoke Detector Missing/Inoperable	-	onsite
5	Unit 608	x				Damaged Door Hardware/Locks		
5	Unit 608		x			Damaged Door Frames/Threshold/Lintels/ Trim		-

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
5	Unit 608	-	-	x	-	Living Room Smoke Detector Missing/Inoperable	-	onsite
5	Unit 608	x				Lavatory Sink - Damaged/Missing		
5	Unit 608	x				Shower/Tub - Damaged/Missing		-
5	Unit 608			x		Emergency Exit in bedroom Blocked/Unusable	Blocked	
5	Unit 608			x		Insect infestation	Roaches	
5	Unit 608			x		Trip hazard in living room	cable cord	
5	Unit 611			x		Bedroom Windows Cracked/Broken/Missing Panes	Broken	
6	Building Exterior		x			Cracks/Gaps		
6	Building Exterior		x			Stained/Peeling/Needs Paint		
6	Building Exterior			x		Missing Pieces/Holes/Spalling		
6	Building Exterior		x			Missing/Damaged Caulking/Mortar		
6	Building Exterior	x				Damaged/Missing Window Screens		
6	Building Exterior			x		Broken/Missing/Cracked Window Panes		
6	Building Exterior	x				Missing/Damaged Components from Downspout/Gutter		
6	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
6	Building Exterior		x			Broken Fixtures/Bulbs		-
6	Building Exterior			x		Exposed Electrical Wires/Open Panels	exposed wires	
6	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged/Deteriorated Trim		
6	Building Interior		x			Walls of Halls/ Corridors / Stairs - Damaged		
6	Building Interior		x			Walls of Halls/ Corridors / Stairs - Peeling/Needs Paint		



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
6	Unit 701			x		Bathroom Walls Damaged	wall by toilet	
6	Unit 701	x				Damaged Door Hardware/Locks		
6	Unit 701		x			Damaged Door Frames/Threshold/Lintels/Trim		
6	Unit 701			x		Bedroom Window Locks Inoperable/Not Lockable	lock not working	
6	Unit 701			x		Bathroom Water Closet/Toilet - Damaged/Clogged/Missing	Toilet damaged	
6	Unit 705		x			Walls Peeling/Needs Paint		
6	Unit 705		x			Water Stains/Water Damage/Mold/Mildew on Walls		
6	Unit 705	x				Damaged Door Hardware/Locks		
6	Unit 705		x			Damaged Door Frames/Threshold/Lintels/Trim		
6	Unit 705	x				Windows Inoperable/Not Lockable		-
6	Unit 705			x		<del>Hallway Smoke Detector Missing/Inoperable</del>		onsite
6	Unit 705			x		Kitchen Sink - Missing/Damaged	not working	
6	Unit 708	x				Ceiling Peeling/Needs Paint		
6	Unit 708			x		Ceiling Water Stains/Water Damage/Mold/Mildew in Living Room	damaged	
6	Unit 708			x		Kitchen Windows Inoperable/Not Lockable	lock not working	
6	Unit 708	x				Lavatory Sink - Damaged/Missing		
6	Building Exterior	x				Shower/Tub - Damaged/Missing		
7	Building Exterior		x			Cracks/Gaps		
7	Building Exterior		x			Stained/Peeling/Needs Paint		
7	Building Exterior			x		Missing Pieces/Holes/Spalling		
7	Building Exterior		x			Missing/Damaged Caulking/Mortar		
7	Building Exterior	x				Damaged/Missing Window Screens		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
7	Building Exterior			x		Broken/Missing/Cracked Window Panes		
7	Building Exterior	x				Missing/Damaged Components from Downspout/Gutter		
7	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
7	Building Exterior		x			Broken Fixtures/Bulbs		-
7	Building Exterior			x		Exposed Electrical Wires/Open Panels	exposed wires	
7	Building Interior		x			Walls of Halls/ Corridors / Stairs- Damaged/Deteriorated Trim		
7	Building Interior		x			Walls of Halls/ Corridors / Stairs- Damaged		
7	Building Interior		x			Walls of Halls/ Corridors / Stairs- Peeling/Needs Paint		
8	Building Exterior		x			Cracks/Gaps		
8	Building Exterior		x			Stained/Peeling/Needs Paint		
8	Building Exterior			x		Missing Pieces/Holes/Spalling		
8	Building Exterior	x				Damaged/Missing Window Screens		
8	Building Exterior			x		Broken/Missing/Cracked Window Panes		
8	Building Exterior	x				Missing/Damaged Components from Downspout/Gutter		
8	Building Exterior			x		Damaged Roof Soffits/Fascia	Particle board siding has obvious water damage/penetration	
8	Building Exterior		x			Broken Fixtures/Bulbs		-
8	Building Exterior			x		Exposed Electrical Wires/Open Panels	exposed wires	
8	Building Interior		x			Walls of Halls/ Corridors / Stairs- Damaged/Deteriorated Trim		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
8	Building Interior		x			Walls of Halls/ Corridors / Stairs- Peeling/Needs Paint		
8	Unit 904	x				Walls Peeling/Needs Paint		
8	Unit 904	x				Walls Damaged		
8	Unit 904		x			Damaged Door Hardware/Locks		
8	Unit 904		x			Damaged Door Frames/Threshold/Lintels/ Trim		
8	Unit 904		x			Missing/Deteriorated Caulking/Seals on Windows		
8	Unit 904			x		Bedroom windows Inoperable/Not Lockable	lock not working	
8	Unit 904		x			Damaged Window Sills		-
8	Unit 904	-	-	x	-	Hallway Smoke Detector Missing/Inoperable		onsite
8	Unit 904		x			Dishwasher/Garbage Disposal - Inoperable		
8	Unit 904	x				Lavatory Sink - Damaged/Missing		
8	Unit 904	x				Shower/Tub - Damaged/Missing		
8	Unit 904	x				Bathroom Cabinets - Damaged/Missing		
8	Unit 910		x			Water Stains/Water Damage/Mold/Mildew on ceilings		
8	Unit 910	x				Damaged Door Hardware/Locks		
8	Unit 910			x		Bedroom window locks Inoperable/Not Lockable	lock not working	-
8	Unit 910	-	-	x	-	Hallway Smoke Detectors Missing/Inoperable		onsite
8	Unit 910	x				Lavatory Sink - Damaged/Missing		
8	Unit 910	x				Shower/Tub - Damaged/Missing		
9	BldgExt-Laundry		x			Cracks/Gaps		
9	BldgExt-Laundry		x			Stained/Peeling/Needs Paint		
9	BldgExt-Laundry			x		Missing Pieces/Holes/Spalling		

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
9	BldgExt-Laundry		x			Damaged Door Hardware/Locks		
9	BldgExt-Laundry	x				Damaged/Missing Window Screens		
9	BldgExt-Laundry			x		Broken/Missing/Cracked Window Panes		
9	BldgExt-Laundry		x			Broken Fixtures/Bulbs		-
9	BldgExt-Laundry			x		Electrical Hazards - Exposed Wires/Open Panels	exposed wires	
9	BldgSys-Laundry			x		Missing/Damaged/Expired Extinguishers	No extinguisher in rack	
9	Interior of Laundry		x			Ceiling - Holes/Missing Tiles/Panels/Cracks		
9	Interior of Laundry		x			Ceiling - Water Stains/Water Damage/Mold/Mildew		
9	Interior of Laundry	x				Outlets/Switches/Cover Plates - Missing/Broken		
9	Interior of Laundry		x			Doors - Damaged Hardware/Locks		
9	Interior of Laundry		x			Lighting - Missing/Damaged/Inoperable Fixture		
9	Interior of Laundry		x			Walls - Damaged		
9	Interior of Laundry		x			Walls - Peeling/Needs Paint		
9	Interior of Laundry		x			Ceiling - Peeling/Needs Paint		
9	Interior of Laundry		x			Doors - Damaged Frames/Threshold/Lintels/Trim		
10	BldgExt-Laundry		x			Cracks/Gaps		
10	BldgExt-Laundry		x			Stained/Peeling/Needs Paint		
10	BldgExt-Laundry		x			Missing Pieces/Holes/Spalling		
10	BldgExt-Office			x		Carpet trip hazard at entry	carpet	
10	Office Interior	x				Restroom Ceiling / Pool Structures - Holes/Missing Tiles/Panels/Cracks	Restroom ceiling	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
10	Office Interior	x				Restroom Ceiling / Pool Structures - Lavatory Sink - Damaged/Missing		
10	Office Interior		x			Restroom Ceiling / Pool Structures - Floors - Rot/Deteriorated Subfloor		
10	Office Interior		x			Office Ceiling - Holes/Missing Tiles/Panels/Cracks		
10	Office Interior		x			Walls Peeling/Needs paint	More than 4 square throughout office/restroom	
10	Office Interior		x			Walls Damaged	holes in wall	
10	Office Interior		x			Walls Damaged/Deterioated trim in Office & restroom	Trim damaged	
10	Office Interior		x			Office Ceiling - Water Stains/Water Damage/Mold/Mildew		
10	Office Interior		x			Office Floors - Floor Covering Damaged		
10	Office Interior	x				Office Outlets/Switches/Cover Plates - Missing/Broken		
10	Office Interior			x		Windows - Inoperable/Not Lockable	windows hardware	
10	Office Interior		x			Ceiling - Peeling/Needs Paint		
10	Office Interior		x			Doors - Damaged Frames/Threshold/Lintels/Trim	Front door damaged frame	
10	Office Interior		x			Doors - Damaged Hardware/Locks		
10	Office Interior		x			Lighting - Missing/Damaged/Inoperable Fixture		
10	Office Interior	x				Walls - Damaged		
10	Office Interior	x				Walls - Peeling/Needs Paint		
10	Office Interior		x			Floors of Halls/ Corridors / Stairs- Floor Covering Damaged		
10	Office Interior			x		Range/Stove - Missing/Damaged/Inoperable	Stove burners not working	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
10	Office Interior			x		Tripping	Internet cord	

Total	81	122	83	1				
Corrected	0	0	12	0				12
Uncorrected	81	122	71	1				

**Parklane II Apartments – 3/13/2006 Inspection**

<b>Bldg</b>	<b>Location</b>	<b>L1</b>	<b>L2</b>	<b>L3</b>	<b>H&amp;S</b>	<b>Deficiency</b>
N/A	Grounds		x			Ponding/poor site drainage.
N/A	Grounds				x	Trip hazards - sidewalks with uneven 1" rise in concrete
N/A	Grounds		x			litter
N/A	Grounds		x			Cracks, settlement and heaving in walkways and steps
N/A	Grounds	x				Spalling affecting walkways and steps.
1	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
1	Exterior		x			Damaged gutter downspouts.
1	Unit 82				x	Insect infestation.
1	Unit 82		x			Damaged walls.
1	Unit 87			x		Electrical panel missing breakers/fuses.
1	Unit 87	x				Missing/inoperable refrigerator.
1	Unit 87	x				Damaged walls.
1	Unit 91	x				Missing/inoperable refrigerator.
1	Unit 92	x				Range exhaust fan inoperable due to excessive grease.
1	Unit 92	x				Missing/inoperable refrigerator.
1	Unit 92				x	Damaged baluster/side railings on porch/balcony.
Office	Office				x	Missing electrical covers in storage room.
10	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
10	Exterior		x			Damaged gutter downspouts.
10	Exterior		x			Missing pieces, holes and spalling in exterior walls.
10	Unit 50				x	Deteriorated entry door seal.
10	Unit 50	x				Missing/inoperable refrigerator.
10	Unit 58			x		Electrical panel missing breakers/fuses.
10	Unit 58	x				Range exhaust fan inoperable due to excessive grease.
10	Unit 58			x		Inoperable hallway smoke detector.
11	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
11	Exterior		x			Damaged gutter downspouts.
11	Exterior		x			Missing pieces, holes and spalling in exterior walls. Stained and peeling paint.
11	Utility			x		Covers missing on electrical panel in boiler room.
11	Unit 33				x	Insect infestation.
11	Unit 33			x		Inoperable hallway smoke detector.
11	Unit 36				x	Insect infestation.
11	Unit 36	x				Missing/inoperable refrigerator.
11	Unit 36			x		Inoperable hallway smoke detector.
11	Unit 37			x		Inoperable hallway smoke detector.
11	Unit 38	x				Range exhaust fan inoperable due to excessive grease.
11	Unit 38		x			Missing/inoperable range.

Bldg	Location	L1	L2	L3	H&S	Deficiency
12	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
12	Exterior		x			Damaged gutter downspouts.
12	Unit 21				x	Insect infestation.
12	Unit 21	x				Range exhaust fan inoperable due to excessive grease.
12	Unit 21	x				Missing/inoperable refrigerator.
13	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
13	Exterior			x		Water-damage to soffits/fascia.
13	Exterior			x		Unit 11 has broken window panes.
13	Unit 13				x	Insect infestation.
13	Unit 13	x				Range exhaust fan inoperable due to excessive grease.
13	Unit 13			x		Inoperable hallway smoke detector.
2	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
2	Exterior		x			Damaged gutter downspouts.
2	Exterior	x				Missing/damaged roof shingles.
2	Exterior		x			Missing/damaged caulking and mortar on exterior walls
2	Unit 157			x		Inoperable hallway smoke detector.
2	Unit 166			x		Range exhaust fan inoperable due to excessive grease.
2	Unit 166	x				Missing/inoperable refrigerator.
3	Exterior		x			Damaged gutter downspouts.
3	Exterior		x			Missing pieces, holes and spalling in exterior walls.
3	Exterior	x				Stained and peeling paint on exterior walls
3	Unit 173			x		Electrical panel missing breakers/fuses.
3	Unit 173			x		Range exhaust fan inoperable due to excessive grease.
3	Unit 176		x			Door damage including holes, rusting and deteriorated paint.
3	Unit 176			x		Missing outlets/switches in bedroom.
3	Unit 179		x			Stove has one inoperable burner.
3	Unit 179	x				Missing/inoperable refrigerator.
3	Unit 179			x		Missing outlets/switches in dining room.
3	Unit 181	x				Missing/inoperable refrigerator.
3	Unit 183			x		Electrical panel missing breakers/fuses.
3	Unit 183				x	Trip hazard - tv cable on floor.
3	Unit 183	x				Missing/inoperable refrigerator.
3	Unit 187		x			Door damage including holes, rusting and deteriorated paint.
3	Unit 187			x		Electrical panel missing breakers/fuses.
3	Unit 187	x				Missing/inoperable refrigerator.
5	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
5	Exterior		x			Damaged gutter downspouts.
5	Exterior		x			Missing pieces, holes and spalling in exterior walls. Stained and peeling paint.
5	Unit 139				x	Insect infestation in kitchen.
5	Unit 139			x		Missing outlets/switches in dining room.



Bldg	Location	L1	L2	L3	H&S	Deficiency
5	Unit 139			x		Inoperable hallway smoke detector.
5	Unit 143		x			Damaged walls.
5	Unit 145	x				Range exhaust fan inoperable due to excessive grease.
5	Unit 145			x		Inoperable hallway smoke detector.
5	Unit 150				x	Trip hazard - tv cable on floor.
5	Unit 150			x		Inoperable hallway smoke detector.
5	Unit 155			x		Range exhaust fan inoperable due to excessive grease.
5	Unit 155			x		Inoperable hallway smoke detector.
6	Exterior				x	Exterior electrical panel covers missing. Exposed wiring.
6	Unit 199		x			Missing/inoperable range.
6	Unit 208	x				Missing/inoperable refrigerator.
8	Unit 210	x				Missing/inoperable refrigerator.
8	Unit 221				x	Trip hazard - tv cable on floor.
8	Unit 221	x				Missing/inoperable refrigerator.
9	Exterior		x			Damaged gutter downspouts.
9	Mechanical			x		Exterior electrical panel covers missing.
9	Unit 106			x		Deteriorated entry door seal.
9	Unit 120				x	Electrical panel missing breakers/fuses.
9	Unit 120	x				Missing/inoperable refrigerator.
9	Unit 97		x			Damaged kitchen cabinets.

Total	25	24	26	22
Uncorrected	25	24	26	22

**Parklane II Apartments - 6/24/2008 Inspection**

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
N/A	Grounds		X			Erosion/Rutting Areas	noted in several areas	
N/A	Grounds		X			Overgrown/Penetrating Vegetation	trees touching roofs	
N/A	Grounds				X	Hazards - Sharp Edges	broken glass on grounds leaves sharp cutting hazards	
N/A	Grounds			X		Hazards - Tripping	walkways - offsets cause trip hazards	
N/A	Grounds		X			Graffiti	2 locations	
N/A	Grounds		X			Litter	litter on grounds	
N/A	Parking/ Drives			X		Potholes/Loose Material	large pot holes make part of drives impassable	
N/A	Refuse Disposal		X			Broken/Damaged Enclosure- Inadequate Outside Storage	broken dumpster enclosures	
N/A	Walkways/ Steps		X			Cracks/Settlement/Heaving	over 10% of walkways	
Office/Laundry - offline. Fire damaged.								
N/A	Pools			X		Not Operational	inoperable due to electricity to bldg disconnected	
13	Building Exterior	X				Damaged Roof Soffits/Fascia	soffits damaged	
13	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
13	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
13	Building Exterior	X				Stained/Peeling/Needs Paint	exterior peeling paint	
13	Unit 1			X		Deteriorated/Missing Seals (Entry Only)	entry door seal has failed	
13	Unit 1	X				Missing Door	hall closet doors missing	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
13	Unit 1				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bedroom - furniture blocks egress	x
13	Unit 1	X				Refrigerator- Missing/Damaged/Inoperable	gasket torn	
13	Unit 1			X		Missing/Inoperable Smoke Detector	inoperable	
13	Unit: 11			X		Range Hoods/Exhaust Fans - Excessive Grease/Inoperable	inoperable	
13	Unit: 6		X			Kitchen Cabinets - Missing/Damaged	doors missing	x
13	Unit: 6			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
13	Unit: 6		X			Walls Need Paint	unit needs paint	
13	Unit: 8	X				Missing Door	hall closet doors missing	x
5	Building Exterior		X			Broken Fixtures/Bulbs	exterior light broken	
5	Building Exterior			X		Damaged Roof Soffits/Fascia	fascia dry rot	
5	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	down spouts damaged	
5	Building Exterior			X		Missing Pieces/Holes/Spalling	dry rot on siding	
5	Sanitary System			X		Missing Drain/Cleanout/Manhole Covers	clean out cover missing	
5	Unit: 138			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
5	Unit: 142	X				Refrigerator- Missing/Damaged/Inoperable	gasket torn	
5	Unit: 143				X	Hazards - Sharp Edges	broken glass leaves sharp cutting hazards	x
5	Unit: 143			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
5	Unit: 143		X			Damaged Walls	hole in bathroom wall	x
5	Unit: 143			X		Cracked/Broken/Missing Window Panes	living rm glass broken	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
5	Unit: 145			X		Deteriorated/Missing Seals (Entry Only)	entry door seal has failed	
5	Unit: 145	X				Missing Door	laundry door missing	
5	Unit: 145			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
5	Unit: 150	X				Lavatory Sink - Damaged/Missing	cracked	
5	Unit: 150			X		Missing/Inoperable Smoke Detector	inoperable	
5	Unit: 155		X			Bathroom Ventilation/Exhaust System - Inoperable	inoperable due to electric disconnected	x
5	Unit: 155			X		GFI Inoperable	inoperable due to electric disconnected	x
5	Unit: 155			X		Inoperable	inoperable due to electric disconnected	
5	Unit: 155		X			Dishwasher/Garbage Disposal - Damaged/Inoperable	inoperable due to electric disconnected	x
5	Unit: 155			X		Range Hoods/Exhaust Fans - Excessive Grease/Inoperable	inoperable due to electric disconnected	x
5	Unit: 155			X		Range/Stove - Missing/Damaged/Inoperable	inoperable due to electric disconnected	
5	Unit: 155			X		Refrigerator- Missing/Damaged/Inoperable	inoperable due to electric disconnected	x
5	Unit: 155			X		Missing/Inoperable Fixtures	inoperable due to electric disconnected	x
5	Unit: 155			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
2	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	downspouts damaged	
2	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
2	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
2	Unit 159			X		Deteriorated/Missing Seals (Entry Only)	entry door seal has failed	
2	Unit 159			X		Missing Breakers/Fuses	open breaker port	
2	Unit 159			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
2	Unit 167	X				Damaged Walls	hallway wall hole	x
2	Unit 170	X				Bathroom Cabinets - Damaged/Missing	cabinets damaged	x
2	Unit 170		X			Kitchen Cabinets - Missing/Damaged	drawer missing	x
2	Unit 170			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
3	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
3	Building Exterior			X		Missing Pieces/Holes/Spalling	siding dry rot	
3	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
3	Stairs			X		Broken/Missing Hand Railing	north side rail rail broken	
3	Unit: 174	X				Bathroom Plumbing - Leaking Faucet/Pipes	sink faucet leaks	x
3	Unit: 174			X		Shower/Tub - Damaged/Missing	shower diverter broken	x
3	Unit: 174		X			Water Closet - Damaged/Clogged/Missing	tank lid is cracked	
3	Unit: 174	X				Missing Door	bedroom closet doors missing	
3	Unit: 174	X				Kitchen Plumbing - Leaking Faucet/Pipes	sink faucet leaks	x
3	Unit: 174		X			Range/Stove - Missing/Damaged/Inoperable	1 stove burner missing	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
3	Unit: 174	X				Missing/Broken Cover Plates	living room wall plug cover cracked	x
3	Unit: 174	X				Cracked/Broken/Missing Window Panes	living rm glass cracked	
3	Unit: 185	X				Bathroom Plumbing - Leaking Faucet/Pipes	sink faucet leaks	x
3	Unit: 185		X			Water Stains/Water Damage/Mold/Mildew	hall way water stains	x
3	Unit: 185				X	Hazards - Tripping	living room cable trip hazards	x
3	Unit: 185	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
3	Unit: 185			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
3	Unit: 185	X				Damaged walls	2nd bedroom wall hole	x
3	Unit: 180			X		Damaged Door Surface (Holes/Paint/Rusting)	bathroom door seperating	x
3	Unit: 180	X				Missing Door	laundry door missing	
3	Unit: 180	X				Missing/Broken Outlet Cover Plates	1st bedroom wall plug cover cracked	x
12	Building Exterior		X			Broken Fixtures/Bulbs	north exterior light broken	
12	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
12	Building Exterior		X			Missing Pieces/Holes/Spalling	siding dry rot	
12	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
12	Unit: 23		X			Water Stains/Water Damage/Mold/Mildew	living room water stain on ceiling	
12	Unit: 23			X		Missing/Inoperable Smoke Detector	missing	
12								
12	Unit: 24							
12	Unit: 24		X			Ventilation/Exhaust System - Inoperable	bath inoperable	
12	Unit: 24		X			Kitchen Cabinets - Missing/Damaged	doors damaged	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
12	Unit: 24	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
12	Unit: 31		X			Damaged Hardware/Locks	bedroom door hardware damaged	x
12	Unit: 31		X			Dishwasher/Garbage Disposal - Damaged/Inoperable	disposal inoperable	x
12	Unit: 31			X		Kitchen Sink - Damaged/Missing	sink faucet broken	
12	Unit: 31			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
7	Building Exterior			X		Damaged Roof Soffits/Fascia	fascia damaged	
7	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
7	Building Exterior			X		Missing Pieces/Holes/Spalling	dry rot on siding	
7	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
7	Sanitary System			X		Missing Drain/Cleanout/Manhole Covers	sewer clean out cover missing	
7	Unit: 189				X	Hazards - Sharp Edges	broken glass leaves sharp cutting hazards	
7	Unit: 189			X		Infestation - Insects	kitchen - live roaches	
7	Unit: 189			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
7	Unit: 189			X		Cracked/Broken/Missing Window Panes	living room glass broken	
7	Unit: 199				X	Infestation - Insects	live roaches - kitchen	
7	Unit: 199			X		Missing/Inoperable Smoke Detector	inoperable	
8	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	downspouts damaged	
8	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
8	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
8	Unit: 211			X		Bulging/Buckling	bath ceiling	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
8	Unit: 211		X			Holes/Missing Tiles/Panels	holes in bath ceiling	
8	Unit: 211	X				Missing Door	laundry doors missing	
8	Unit: 211		X			Dishwasher/Garbage Disposal - Damaged/Inoperable	disposal inoperable	
8	Unit: 211			X		Missing/Broken Outlet Cover Plates	dining rm wall plug cover missing - fixed on site	x
8	Unit: 211			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
6	Building Exterior		X			Broken Fixtures/Bulbs	exterior light broken	
6	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
6	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
6	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
6	Unit: 241			X		Damaged Hardware/Locks	bath door hardware damaged	
6	Unit: 241			X		Deteriorated/Missing Seals (Entry Only)	entry door seal has failed	
6	Unit: 241				X	Hazards - Sharp Edges	living room cable trip hazards	
6	Unit: 241			X		Infestation - Insects	kitchen live roaches	
6	Unit: 241			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
6	Unit: 243	X				Needs Paint	bath ceiling peeling paint	x
6	Unit: 243	X				Missing Door	laundry doors missing	
6	Unit: 243				X	Infestation - Insects	kitchen - live roaches	x
6	Unit: 243	X				Kitchen Plumbing - Leaking Faucet/Pipes	sink faucet leaks	x
6	Unit: 243	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
6	Stairs			X		Broken/Damaged/Missing Steps	inoperable - fixed on site	x



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
11	Building Exterior			X		Broken Fixtures/Bulbs	exterior lights broken	
11	Building Exterior			X		Damaged Soffits/Fascia	fascia damaged north side	
11	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
11	Building Exterior		X			Missing Pieces/Holes/Spalling	dry rot on siding	
11	Building Exterior	X				Stained/Peeling/Needs Paint	peeling paint	
11	Closet/Mechanical			X		Damaged Surface (Holes/Paint/Rusting)	door surface dry rot and holes	
11	Closet/Mechanical			X		Missing Electrical Covers	breaker box cover missing	
11	Laundry Room				X	Hazards - Sharp Edges	laundry - broken glass leaves sharp cutting hazards	
11	Laundry Room			X		Cracked/Broken/Missing Window Panes	laundry window glass broken	
11	Unit: 37				X	Infestation - Insects	kitchen roaches	
11	Unit: 37		X			Kitchen Cabinets - Missing/Damaged	shelves dry rot	
11	Unit: 37			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
11	Unit: 43	X				Cabinets - Damaged/Missing	damaged	
11	Unit: 43	X				Bathroom Ceiling Needs Paint	bath - peeling paint	
11	Unit: 43			X		Deteriorated/Missing Seals (Entry Only)	entry door seal has failed	
11	Unit: 43				X	Infestation - Insects	sever roach infestation	
11	Unit: 43			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
11	Unit: 45			X		Bathroom Plumbing - Clogged Drains	tub completely clogged	
11	Unit: 45		X			Bathroom Ventilation/Exhaust System - Inoperable	inoperable	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
11	Unit: 45				X	Hazards - Sharp Edges	bedroom - broken glass leaves sharp hazards	
11	Unit: 45			X		Infestation - Insects	kitchen live roaches	
11	Unit: 45	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
11	Unit: 45			X		Missing/Inoperable Smoke Detector	inoperable	
11	Unit: 45			X		Cracked/Broken/Missing Window Panes	bedroom glass broken	
11	Unit: 47			X		Holes/Missing Tiles/Panels	bathroom - hole in ceiling	
11	Unit: 47				X	Air Quality - Mold and/or Mildew Observed	sever odor of mildew	
11	Unit: 46			X		Kitchen Plumbing - Clogged Drains	sink drain completely clogged	x
11	Unit: 46	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
10	Building Exterior			X		Broken Fixtures/Bulbs	exterior lights broken	
10	Building Exterior	X				Damaged Soffits/Fascia	fascia damaged	
10	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
10	Building Exterior			X		Missing Pieces/Holes/Spalling	dry rot on siding	
10	Unit: 50			X		Damaged Hardware/Locks	entry door privacy lock missing	x
10	Unit: 50				X	Hazards - Sharp Edges	broken glass leaves sharp cutting hazards	x
10	Unit: 50			X		Hazards - Tripping	living room cable trip hazards	x
10	Unit: 50			X		Missing/Inoperable Smoke Detector	inoperable - fixed on site	x
10	Unit: 50		X			Needs Paint	walls need paint	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
10	Unit: 50			X		Cracked/Broken/Missing Panes	living room window broken	x
10	Unit: 58	X				Bathroom Plumbing - Leaking Faucet/Pipes	sink faucet leaks	x
10	Unit: 58	X				Missing Door	2nd bedroom closet doors missing	
10	Unit: 58	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
10	Unit: 63	X				Bathroom Plumbing - Leaking Faucet/Pipes	sink faucet leaks	
10	Unit: 63		X			Needs Paint	bath ceiling needs paint	
10	Unit: 63	X				Missing Door	1st bedroom closet doors missing	
10	Unit: 63				X	Hazards - Sharp Edges	broken window leaves sharps hazards	
10	Unit: 63		X			Kitchen Cabinets - Missing/Damaged	damaged	
10	Unit: 63			X		Missing/Inoperable Smoke Detector	inoperable	
10	Unit: 63			X		Cracked/Broken/Missing Panes	1st bedroom window broken	
1	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	down spouts damaged	
1	Building Exterior		X			Missing Pieces/Holes/Spalling	siding dry rot	
1	Building Exterior	X				Stained/Peeling/Needs Paint	peeling paint	
1	Porch/Balcony			X		Baluster/Side Railing Damaged	northwest baluster rails damaged	
1	Unit: 82	X				Missing Door	laundry doors missing	
1	Unit: 81			X		Damaged Door Surface (Holes/Paint/Rusting)	hole in bathroom door	
1	Unit: 81				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bedroom - furniture blocks egress	x

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
1	Unit: 85			X		Damaged Surface (Holes/Paint/Rusting)	door surface peeling	
1	Unit: 85	X				Refrigerator-Missing/Damaged/Inoperable	gasket torn	
1	Unit: 85			X		Cracked/Broken/Missing Window Panes	living room glass missing	x
1	Unit: 87	X				Missing Door	laundry door missing	
1	Unit: 87				X	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	bedroom furniture blocks egress	
1	Unit: 87		X			Dishwasher/Garbage Disposal - Damaged/Inoperable	disposal inoperable	
10	Unit: 88		X			Needs Paint	bath ceiling needs paint	
10	Unit: 88			X		Missing/Inoperable Smoke Detector	missin	
10	Unit 96				X	Infestation - Insects	kitchen roaches	
10	Kitchen		X			Kitchen Cabinets - Missing/Damaged	doors damaged	
9	Building Exterior		X			Missing/Damaged Components from Downspout/Gutter	gutters damaged	
9	Building Exterior		X			Missing Pieces/Holes/Spalling	siding dry rot	
9	Building Exterior	X				Stained/Peeling/Needs Paint	exterior needs paint	
9	Building Systems			X		Leaking Central Water Supply	boiler valves leaking	
9	Utility/Mechanical			X		Damaged Surface (Holes/Paint/Rusting)	holes in utility room doors	
9	Utility/Mechanical			X		Missing or Broken Light Switches	light switch plate missing	
9	Laundry Room							
9	Laundry Room			X		Missing/Damaged/Inoperable dryer vent	dryer vent hose missing	
9	Laundry Room			X		Missing or Broken Plug Covers	wall plug cover missing - fixed on site	x
9	Laundry Room			X		Cracked/Broken/Missing Window Panes	window glass missing	
9	Unit: 111			X		GFI Inoperable	kitchen inoperable	

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes	Fixed
9	Unit: 111		X			Range/Stove - Missing/Damaged/Inoperable	1 stove burner missing	
9	Unit: 111			X		Missing/Inoperable Smoke Detector	inoperable	
9	Unit: 111	X				Cracked/Broken/Missing Panes	bedroom glass cracked	
9	Unit: 119	X				Missing/Broken Cover Plates	living room light switch cracked	x
9	Unit: 119			X		Missing/Inoperable Smoke Detector	missing - fixed on site	x
9	Unit: 119	X				Damaged Walls	bedroom wall holes	

Totals	51	54	86	18
Corrected	13	10	31	6
Uncorrected	38	44	55	12

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**Parklane II Apartments – 3/25/2009 Inspection**

<b>Bldg</b>	<b>Location</b>	<b>L1</b>	<b>L2</b>	<b>L3</b>	<b>H&amp;S</b>	<b>Deficiency</b>	<b>Notes</b>
N/A	Grounds		x			Erosion/Rutting areas	There are ruts larger than 8 inches wide by 5 inches deep
N/A	Grounds		x			Overgrown/Penetrating Vegetation	Vegetation contacts or penetrates an unintended surface-buildings, gutters, fences/walls, roofs, HVAC units, etc.
N/A	Parking Lots/Drive ways/Roads		x			Cracks	Cracks greater than 3/4 inch, hinging/tilting, or missing sections that affect traffic ability over more than 5% of the property's parking lots/driveways/roads
N/A	Parking Lots/Drive ways/Roads		x			Ponding	less than 3 inches of water-or more-has accumulated, affecting the use of 5% or more of a parking lot/driveway; the parking lot/driveway is passable
N/A	Parking Lots/Drive ways/Roads			x		Potholes/Loose Material	Throughout complex
N/A	Playground		x			Deteriorated Play Area Surface	Missing swings, damaged slide, missing sections, 20-50% of the surveyed play area surface shows deterioration
N/A	Playground				x	Damaged/Broken Equipment	Equipment poses a threat to safety and could cause injury
N/A	Trash enclosure		x			Broken/Damaged Enclosure-Inadequate Outside Storage Space	A single wall or gate of the enclosure is broken or damaged
N/A	Throughout complex			x		Broken/Missing Hand Railings	All stairs and handrails are rusted and damaged
N/A	Throughout complex			x		Graffiti	Graffiti in more than 6 places throughout complex
N/A	Throughout complex		x			Litter	Excess litter on property
N/A	Throughout complex		x			Damaged/Falling/Leaning Gates	An exterior fence, security fence, shows signs of deterioration, but still functions as it should
N/A	Back of complex			x		Holes in fencing & Gates	Broken missing sections larger than 6 inches by 6 inches

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
N/A	Back of complex			x		Missing Sections in fencing & gates	An exterior security fence, is missing a section which could threaten safety or security
1	Building exterior			x		Cracks/Gaps in Walls	Cracks/Gaps more than 3/8 inches wide and 6 inches long
1	Building exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
1	Building exterior			x		Missing Pieces/Holes/Spalling affecting walls	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
1	Building exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
1	Building exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
1	Building exterior	x				Windows Peeling/Needs Paint	There is peeling paint or a window that needs paint
1	Building exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
1	Building exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
1	Building exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
1	Building exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
1	Building exterior				x	Exposed Electrical Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
1	Building exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
1	Building exterior			x		Ceiling under stairway - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
1	Building exterior			x		Walls - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
1	Building exterior			x		Broken/damaged/Missing Steps	Hand rails are damaged or missing and the landings are rusted and deteriorating
1	Unit: 81		x			Damaged Walls Throughout	Holes in the walls and cracks more than 8.5 x 11 inches

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
1	Unit: 81			x		Damaged Door Hardware/Locks	Hardware missing front door, bathroom door is split
1	Unit: 81			x		Missing/Inoperable Smoke detector in living room	Fixed during inspection
1	Unit: 81	x				Lavatory Sink - Damaged/Missing	Sink stopper missing
1	Unit: 82			x		Damaged Hardware/Locks	An entry door does not function as it should because of damage to the door hardware
1	Unit: 82	x				Shower/Tub - Damaged/Missing	Tub stopper is missing
1	Unit: 82			x		Insect Infestation	Roaches
1	Unit: 83			x		Missing/Inoperable Smoke detector in Hallway	Fixed during inspection
1	Unit: 83		x			Water Closet/Toilet - Damaged/Clogged/Missing	Toilet tank lid does not fit properly
3	Building exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
3	Building exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
3	Building exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
3	Building exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
3	Building exterior	x				Damaged/Missing Window Screens**	More than 3 or more screens are damaged or missing
3	Building exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
3	Building exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
3	Building exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
3	Building exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
3	Building exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
3	Building exterior			x		Damaged Roof Soffits/Fascia	Soffits and facia are so damaged that water penetration is possible



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
3	Building exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
3	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
3	Stairways			x		Walls at stairs - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
3	Stairways			x		Broken/damaged/Missing Steps & missing/damaged hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
3	Unit: 166			x		Damaged Hardware/Locks	An entry door does not function as it should because of damage to the doors hardware
3	Unit: 166			x		Missing/Inoperable smoke detector in hallway	Fixed during inspection
3	Unit: 166			x		Insect Infestation	Roaches
3	Unit: 166	x				Kitchen Missing/Broken Cover Plates	Outlet broken missing
3	Unit: 167			x		Kitchen Missing /Damaged/Expired Extinguishers	Fire Extinguisher Expired
3	Unit: 167			x		Damaged Hardware/Locks	An entry door does not function as it should because of damage to the doors hardware
3	Unit: 167		x			Range/Stove-Missing/Damaged/inoperable	One burner is not functioning
3	Unit: 168		x			Peeling/Needs Paint by entry door	The affected area is more than 4 square feet
3	Unit: 168			x		Refrigerator-Missing/damaged/Inoperable	The seals are so damaged that they do not cool the fridge adequately fo the safe storage of food
3	Unit: 171		x			Peeling/Needs Paint throughout	The affected area is more than 4 square feet
3	Unit: 171		x			Holes/Missing Tiles/Panels throughout	Holes penetrate the above area
3	Unit: 171			x		Water Stains/Water Damage/Mold/Mildew throughout	More than 50% of the ceiling has been damaged by water, mold or mildew
3	Unit: 171			x		Damaged Door Surfaces - Holes/Paint/Rusting/Glass throughout	Down unit, holes in doors are larger than 1 inch in diameter

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
3	Unit: 171			x		Deteriorated/Missing Seals (Entry Only)	Unit down, no seals on entry door
3	Unit: 171			x		Damaged Door Hardware/Locks	All doors passage and entry doors damaged
3	Unit: 171			x		Missing Door	All doors missing damaged
3	Unit: 171			x		Damaged Door Frames/Threshold/Lintels/Trim	Unit down, entry door frames and interior door frames are damaged
3	Unit: 171			x		Kitchen Sink Damaged/Missing	The sink or hardware is either missing or not functioning
3	Unit: 171			x		Kitchen Cabinets - Missing/Damaged	More than 50% of the cabinets, doors, or shelves are missing or damaged
3	Unit: 171			x		Kitchen Plumbing -Leaking faucets /pipes	The faucet or pipes are not usable
3	Unit: 171			x		Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not function as it should
3	Unit: 171			x		Range/Stove - Missing/Damaged/Inoperable	The stove is missing
3	Unit: 171			x		Refrigerator - Missing/Damaged/Inoperable	The fridge is missing
3	Unit: 171			x		Damaged walls	There are holes and sections of walls that are missing throughout unit
3	Unit: 171			x		Damaged/Deteriorated Trim	More than 50% of the trim in the unit is damaged
3	Unit: 171			x		Water Closet/Toilet - Damaged/Clogged/Missing	Unit down, toilet missing
3	Unit: 171			x		Bathroom Plumbing - Clogged Drains	Down unit, not water, pipes not connected
3	Unit: 171			x		Lavatory Sink - Damaged/Missing	Sink damaged, extensive deterioration
3	Unit: 171			x		Bathroom Plumbing - Leaking Faucet/Pipes	Unit down
3	Unit: 171			x		Shower/Tub - Damaged/Missing	Unit down
3	Unit: 171	x				Bathroom Cabinets - Damaged/Missing	All cabinets are damaged or missing
3	Unit: 171		x			Bathroom Ventilation/Exhaust System -- Inoperable	An exhaust is not functioning

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
3	Unit: 171			x		Missing/Inoperable Fixtures	In more than two rooms the fixtures are missing or does not function as it should
3	Unit: 171			x		Exposed Wires/Open Panels throughout	Wires exposed throughout unit
3	Unit: 171			x		Frayed Wiring throughout	Wire insulation is frayed that exposes conducting wire
3	Unit: 171			x		GFI - Inoperable	All GFI 's inoperable
4	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
4	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
4	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
4	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
4	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
4	Building Exterior	x				Windows throughout Peeling/Need Paint	There is peeling paint or a window that needs paint
4	Building Exterior			x		Broken/Missing/Cracked Window Panes throughout	A glass pane is missing or broken
4	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim throughout	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
4	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
4	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
4	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
4	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
4	Stairways			x		Walls around stairs - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
4	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
4	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
4	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
4	Unit 173			x		Bathroom ceiling Water Stains/Water Damage/Mold/Mildew	Mold Ceiling water damage
4	Unit 173			x		Damaged Hardware/Locks	An entry door does not function as it should because of damage to the doors hardware
4	Unit 179		x			Walls Peeling/Need Paint	The affected area is more than 4 square feet
4	Unit 179		x			Back Bedroom Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold, or mildew- such as a darkened area over a large area more than 4 square feet
4	Unit 179			x		Floor Covering Damage throughout	More than 50% of the carpet has stains or damaged
4	Unit 179		x			Damaged door Hardware/Locks in back bedroom	A door does not function as it should because of damage to the doors hardware
4	Unit 179			x		Missing/Inoperable hallway smoke detector	Fixed during inspection
4	Unit 179		x			Range/Stove - Missing/Damaged/Inoperable	One burner is not functioning
4	Unit 179	x				Lavatory Sink - Damaged/Missing	A stopper is missing
4	Unit 179	x				Shower/Tub - Damaged/Missing	A stopper is missing
4	Unit 186			x		Deteriorated/Missing Seals (Entry Only)	The seals are damaged or missing on the entry door
4	Unit 186			x		Damaged Frames/Threshold/Lintels/Trim	Entry door frame split cracked
4	Unit 186			x		Missing/Inoperable hallway smoke detector	Fixed during inspection
4	Unit 186	x				Refrigerator - Missing/Damaged/Inoperable	The seal around the fridge door are deteriorated
4	Unit 186			x		Kitchen Plumbing - Clogged Drains	Drain clogged
4	Unit 186			x		Insect Infestation	Roaches

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
5	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
5	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
5	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
5	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
5	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
5	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
5	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
5	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
5	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
5	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
5	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
5	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
5	Stairways			x		Walls around stairs- Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
5	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
5	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
5	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
5	Unit 138		x			Kitchen Cabinets - Missing/Damaged	10-50% of cabinets, doors,& shelves missing or damaged

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
5	Unit 138	x				Refrigerator - Missing/Damaged/Inoperable	The seal around the fridge door are deteriorated
5	Unit 138		x			Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not function as it should
5	Unit 138	x				Shower/Tub - Damaged/Missing	A stopper is missing
5	Unit 138				x	Trip hazard at entry door	Cable cord across walkway
5	Unit 143	x				Bathroom walls have Water Stains/Water Damage/Mold/Mildew	There is evidence of a leak, mold, or mildew more than 1 square foot but less than 4
5	Unit 143	x				Damaged/Deteriorated Trim in bathroom	5-10% of the wall is affected at base behind toilet
5	Unit 143		x			Shower/Tub - Damaged/Missing	The tub can be used but see cracks or extensive discoloration in more than 50% of the basin
5	Unit 143			x		Insect Infestation	Roaches
5	Unit 146	x				Damaged hallway walls	The affected area is between 1 inch and 8-1/2 inches
5	Unit 146		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, or shelves are missing or damaged
5	Unit 146	x				Refrigerator - Missing/Damaged/Inoperable	The seal around the fridge door are deteriorated
5	Unit 146	x				Shower/Tub - Damaged/Missing	A stopper is missing
5	Unit 147	x				Shower/Tub - Damaged/Missing	A stopper is missing
5	Unit 147				x	Tripping	Carpet causes trip hazard in kitchen
6	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
6	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
6	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
6	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
6	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
6	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
6	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
6	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
6	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
6	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and facia are so damaged that water penetration is possible
6	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
6	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
6	Stairways			x		Walls around stairs- Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
6	Stairways			x		Broken/damaged/Missing Steps & landings	Hand rails are damaged or missing and the landings are rusted and deteriorating
6	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
6	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
6	Unit 233		x			Damaged Hardware/Locks	Entry door does not function as it should because of damage to the doors hardware
6	Unit 233	x				Lavatory Sink - Damaged/Missing	A stopper is missing
6	Unit 233				x	Sharp Edges	Broken glass on floor in bedroom
6	Unit 241		x			Peeling/Needs Paint throughout	The affected area is more than 4 square feet
6	Unit 241		x			Peeling/Needs Paint**	The affected area is more than 4 square feet
6	Unit 241		x			Water Stains/Water Damage/Mold/Mildew in bedroom	The affected area is more than 4 square feet

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
6	Unit 241	x				Floor Covering Damage in bedroom	5-10% of the floor covering has stains
6	Unit 241			x		Damaged Surface - Holes/Paint/Rusting/Glass	Entry Door frame split cracked
6	Unit 241		x			Damaged Hardware/Locks	Bedroom Door lock does not function as it should
6	Unit 241			x		Missing/Inoperable smoke detector	Missing fixed onsite
6	Unit 241		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, or shelves are missing or damaged
6	Unit 241			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood does not operate as it should
6	Unit 241			x		Shower/Tub - Damaged/Missing	Tub spout faucet does not operate as it should
6	Unit 241	x				Bathroom Cabinets - Damaged/Missing	10-50% of the cabinets, doors, or shelves are missing or damaged
6	Unit 241			x		Mold and/or Mildew Observed in bathroom	Inside of cabinet mold/mildew observed
7	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
7	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
7	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
7	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
7	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
7	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
7	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
7	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
7	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
7	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
7	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
7	Stairways			x		Ceiling under stairs- Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
7	Stairways			x		Walls around stairs- Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
7	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
7	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
7	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
7	Unit 190			x		Damaged Entry Door Hardware/Locks	Striker plate missing
7	Unit 190		x			Damaged Entry Door Frames/Threshold/Lintels/Trim	Frame damaged
7	Unit 190	x				Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood does not operate as it should
7	Unit 190	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
7	Unit 190	x				Kitchen Plumbing - Clogged Drains	Sink Clogged
7	Unit 190	x				Shower/Tub - Damaged/Missing	A stopper is missing
7	Unit 203		x			Water Stains/Water Damage/Mold/Mildew in bathroom	50% or more of Ceiling is affected
7	Unit 203			x		Damaged Entry Door Hardware/Locks	Striker plate missing
7	Unit 203			x		Missing/Inoperable smoke detector in hallway	Missing fixed onsite
7	Unit 203			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood does not operate as it should
7	Unit 203	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
7	Unit 203	x				Lavatory Sink - Damaged/Missing	A stopper is missing
7	Unit 203	x				Bathroom Cabinets - Damaged/Missing	A stopper is missing
7	Unit 205	x				Damaged walls	Hole in wall above the thermostat
7	Unit 205		x			Peeling/Needs Paint throughout	More than 4 Sq. feet is affected
7	Unit 205			x		Insect Infestation	Roaches
7	Unit 205			x		Water Stains/Water Damage/Mold/Mildew in bathroom	More than 50% of ceiling in restroom is affected
7	Unit 205			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood does not operate as it should
7	Unit 205	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
7	Unit 208		x			Peeling/Needs Paint throughout	The affected area is more than 4 square feet
7	Unit 208			x		Floor Covering Damage	50% or more of carpet damage
7	Unit 208			x		Missing outlet covers	Cover plate missing
7	Unit 208			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Fan not working excessive grease
7	Unit 208	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
7	Unit 208			x		Insect Infestation	Roaches
8	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
8	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
8	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
8	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
8	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
8	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
8	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
8	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
8	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
8	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
8	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
8	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
8	Stairways			x		Walls - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
8	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
8	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
8	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
8	Unit 211	x				Damaged walls	The affected area is more than 1 SQ but less than 4 SQ feet
8	Unit 211		x			Peeling/Needs Paint	bathroom ceiling
8	Unit 211			x		Missing/Inoperable smoke detector in hallway	Missing fixed onsite
8	Unit 211		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, or shelves are missing or damaged
8	Unit 211		x			Bathroom Cabinets - Damaged/Missing	10-50% of the cabinets, doors, or shelves are missing or damaged
8	Unit 214				x	Tripping	Cable across walkway at bedroom
8	Unit 216	x				Missing Flooring/Tiles	Floor square tiles coming unglued in kitchen
8	Unit 216			x		Missing/Inoperable smoke detector in hallway	Fixed onsite

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
8	Unit 216	x				Lavatory Sink - Damaged/Missing	A stopper is missing
8	Unit 216			x		Shower/Tub - Damaged/Missing	Tub spout faucet does not operate as it should
9	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
9	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
9	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
9	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
9	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
9	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
9	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
9	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
9	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
9	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
9	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
9	Stairways			x		Ceiling under stairs- Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
9	Stairways			x		Walls around stairs- Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
9	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
9	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
9	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
9	Unit 97		x			Ceiling Peeling/Needs Paint	Affected area more is more than 4 square feet
9	Unit 97			x		Damaged Entry Door Hardware/Locks	Striker plate missing
9	Unit 97	x				Lavatory Sink - Damaged/Missing	A stopper is missing
9	Unit 97	x				Shower/Tub - Damaged/Missing	A stopper is missing
9	Unit 98			x		Damaged Entry Door Hardware/Locks	Striker plate missing
9	Unit 98	x				Range/Stove - Missing/Damaged/Inoperable	One burner is not functioning
9	Unit 103		x			Water Stains/Water Damage/Mold/Mildew in bathroom ceiling	Ceiling has mildew above shower/tub
9	Unit 103		x			Damaged bathroom Hardware/Locks	Door handle missing
9	Unit 103			x		Missing/Inoperable smoke detector in hallway	Fixed onsite
9	Unit 103			x		Missing/Broken Cover Plates in bathroom	GFI cover missing
9	Unit 103		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, or shelves are missing or damaged
9	Unit 103			x		Kitchen Plumbing - Clogged Drains	Sink clogged
9	Unit 103	x				Lavatory Sink - Damaged/Missing	A stopper is missing
9	Unit 103	x				Shower/Tub - Damaged/Missing	A stopper is missing
9	Unit 103			x		Insect Infestation	Roaches
8	Unit 103			x		Flammable materials Improperly Stored	Gas can stored in restroom
9	Unit 108			x		Missing/Damaged/Expired Extinguishers	Expired Extinguisher
9	Unit 108			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood does not operate as it should
9	Unit 108	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
9	Unit 112		x			Walls Peeling/Need Paint	Affected area more is more than 4 square feet
9	Unit 112		x			Ceiling Peeling/Needs Paint	Affected area more is more than 4 square feet
9	Unit 112			x		Water Stains/Water Damage/Mold/Mildew in bathroom	Mold on more than 50% of ceiling
9	Unit 112			x		Entry Door surface-Holes/Paint/Rusting/Glass	Entry door has significant paint peeling and rust
9	Unit 112			x		Damaged bathroom Hardware/Locks	Door lock does not function as it should
9	Unit 112			x		Missing/Inoperable smoke detector in hallway	Fixed onsite
9	Unit 112			x		Range/Stove - Missing/Damaged/Inoperable	2 burners do not work
9	Unit 112	x				Shower/Tub - Damaged/Missing	A stopper is missing
9	Unit 112			x		Blocked/Unusable	Bed and dresser block only window in bedroom
9	Unit 112			x		Kitchen GFI - Inoperable	GFI will not test
9	Unit 112			x		Flammable materials Improperly Stored in bathroom	Charcoal lighter fluid stored under sink cabinet
9	Unit 113	x				Lavatory Sink - Damaged/Missing	A stopper is missing
9	Unit 113	x				Shower/Tub - Damaged/Missing	A stopper is missing
9	Unit 113			x		Kitchen GFI - Inoperable	Both GFI's in kitchen do not work
9	Unit 119			x		Damaged Entry Hardware/Locks	Striker plate missing
9	Unit 119			x		Damaged Entry Door Frames/Threshold/Lintels/Trim	Door Frame Cracked
9	Unit 119	x				Missing/Broken Cover Plates	Outlet cover is cracked or missing
11	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
11	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
11	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
11	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
11	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
11	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint
11	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
11	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
11	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
11	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
11	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
11	Stairways			x		Ceiling under stairs - Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
11	Stairways			x		Walls around steps - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
11	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
11	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
11	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
11	Unit 54			x		Damaged Entry Door Hardware/Locks	Door hardware missing striker plate
11	Unit 54		x			Damaged Bedroom Door Frames/Threshold/Lintels/Trim	Door does not function as it should because of damage to the frame
11	Unit 54			x		Bedroom Window Inoperable/Not Lockable	Window is broken or missing from the window sash
11	Unit 54			x		Missing/Inoperable smoke detector in hallway	Fixed onsite

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
11	Unit 54			x		Missing outlet covers in bedroom & living room	Outlet cover missing exposed wires
11	Unit 54		x			Range/Stove - Missing/Damaged/Inoperable	2 or more burners are not functioning
11	Unit 54	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
11	Unit 54	x				Lavatory Sink - Damaged/Missing	A stopper is missing
11	Unit 54	x				Shower/Tub - Damaged/Missing	A stopper is missing
11	Unit 54	x				Bathroom Cabinets - Damaged/Missing	Damaged or missing shelves
11	Unit 54			x		Insect Infestation	Roaches
11	Unit 54				x	Trip hazard in living room	Cable cord across walkway
1	Unit 91	x				Missing/Broken Cover Plates in living room	Cracked cable outlet plate
1	Unit 91			x		Range/Stove - Missing/Damaged/Inoperable	Stove missing
1	Unit 92			x		Deteriorated/Missing Seals (Entry Only)	Door seal damaged
1	Unit 92	x				Lavatory Sink - Damaged/Missing	A stopper is missing
1	Unit 92	x				Shower/Tub - Damaged/Missing	A stopper is missing
1	Unit 92	x				Bathroom Cabinets - Damaged/Missing	Damaged or missing shelves
12	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
12	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
12	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
12	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
12	Building Exterior	x				Damaged/Missing Window Screens	More than 3 or more screens are damaged or missing
12	Building Exterior	x				Peeling/Needs Paint	There is peeling paint or a window that needs paint
12	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken



Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
12	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
12	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
12	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
12	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
12	Stairways			x		Ceiling under stairs- Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
12	Stairways			x		Walls around stairs- Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
12	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
12	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
12	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
12	Unit 33		x			Peeling/Needs Paint throughout	The affected area is more than 4 SQ feet
12	Unit 33	x				Damaged walls throughout	A hole in the wall larger than 1 inch but smaller than 8-1/2 inches
12	Unit 33		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, shelves, are missing or laminate is missing
12	Unit 33			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood not working
12	Unit 33		x			Range/Stove - Missing/Damaged/Inoperable	One burner does not function
12	Unit 33	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
12	Unit 33		x			Kitchen Countertops - Missing/Damaged	10-50% of the cabinets, doors, shelves, are missing or laminate is missing

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
12	Unit 33	x				Shower/Tub - Damaged/Missing	A stopper is missing
12	Unit 33			x		Insect Infestation	Roaches
12	Unit 37		x			Water Stains/Water Damage/Mold/Mildew throughout	The affected area is more than 4 SQ feet
12	Unit 37			x		Missing/Inoperable smoke detector in hallway	fixed onsite
12	Unit 37		x			Kitchen Cabinets - Missing/Damaged	10-50% of the cabinets, doors, shelves, are missing or laminate is missing
12	Unit 37		x			Range/Stove - Missing/Damaged/Inoperable	Stove missing
12	Unit 37	x				Shower/Tub - Damaged/Missing	A stopper is missing
12	Unit 38	x				Floor Covering Damage throughout	5-10% of the floor covering is stained
12	Unit 38		x			Damaged Entry Door Frames/Threshold/Lintels/Trim	Seals are missing or damaged
12	Unit 44	x				Damaged Bedroom closet door- Holes	Door split broken
12	Unit 44			x		Missing/Inoperable smoke detector in hallway	Fixed onsite
12	Unit 44			x		Range Hood/Exhaust Fans - Excessive Grease/Inoperable	Vent hood not working
12	Unit 44		x			Kitchen Countertops - Missing/Damaged	10-50% of the cabinets, doors, shelves, are missing or laminate is missing
13	Building Exterior			x		Cracks/Gaps	Cracks/Gaps more than 3/8 inches wide and 6 inches long
13	Building Exterior		x			Stained/Peeling/Needs Paint	More than 50% of a single exterior wall is affected
13	Building Exterior			x		Missing Pieces/Holes/Spalling	The holes and missing pieces affect an area larger than 8 1/2 inches by 11 inches
13	Building Exterior		x			Missing/Damaged Caulking/Mortar	Deteriorated caulking in an area longer than 12 inches
13	Building Exterior	x				Damaged/Missing Window Screens**	More than 3 or more screens are damaged or missing
13	Building Exterior	x				Windows Peeling/Need Paint	There is peeling paint or a window that needs paint

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
13	Building Exterior			x		Broken/Missing/Cracked Window Panes	A glass pane is missing or broken
13	Building Exterior		x			Damaged Window Sills/Frames/Lintels/Trim	Sills, frames, lintels or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
13	Building Exterior			x		Missing/Damaged Components from Downspout/Gutter	Gutters damaged and missing components
13	Building Exterior			x		Damaged Roof Soffits/Fascia	Soffits and fascia are so damaged that water penetration is possible
13	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of light fixtures on bld. are damaged
13	Stairways			x		Ceiling under stairs-Holes/Missing Tiles/Panels/Cracks	Trim & soffit damage, wood rotted
13	Stairways			x		Walls around stairs - Water Stains/Water Damage/Mold/Mildew	Siding damaged affected area larger than 8-1/2 inches by 11 inches
13	Stairways			x		Broken/damaged/Missing Steps & hand rails	Hand rails are damaged or missing and the landings are rusted and deteriorating
13	Building Exterior			x		Broken Fixtures/Bulbs	More than 50% of the fixtures and bulbs surveyed are broken or missing
13	Building Exterior				x	Exposed Wires/Open Panels	Light fixtures broken exposing wires, Central units exposed wires
13	Unit 2			x		Holes/Missing Tiles/Panels in bathroom	A/C vent cover off can see mechanics and wires
13	Unit 2			x		Damaged Entry Door Frames/Threshold/Lintels/Trim	Door has significant peeling/cracking/no paint, that affects the integrity of the door frame
13	Unit 2		x			Missing/Deteriorated Caulking/Seals on living room windows	There are missing or deteriorated caulk or seals-with evidence of leaks
13	Unit 2	x				Noisy/Vibrating/Leaking A/C in bathroom	A/C unit leaking water
13	Unit 2	x				Lavatory Sink - Damaged/Missing	A stopper is missing
13	Unit 2				x	Exposed Wires/Open Panels	A/C cover panel off
13	Unit 8	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged

Bldg	Location	L1	L2	L3	H&S	Deficiency	Notes
13	Unit 8			x		Insect Infestation	Roaches
13	Unit 9		x			Damaged walls in living room	Holes in walls at corner combined equal to 8 1/2 inches
13	Unit 9			x		Damaged bedroom door Frame	Door frame damaged broken cracked
13	Unit 9			x		Inoperable HVAC	No electric in apt
13	Unit 9			x		Range/Stove - Missing/Damaged/Inoperable	No electric in apt
13	Unit 9			x		Refrigerator - Missing/Damaged/Inoperable	No electric in apt
13	Unit 9				x	Exposed Wires/Open Panels in living room	Had hole drilled in wall to outside light fixture to get electric
13	Unit 9				x	Trip hazard in living room	Cable cord across walkway
13	Unit 10	x				Damaged walls throughout	Hole in wall larger than 1 inch but smaller than 8-1/2 inches
13	Unit 10			x		Insect Infestation	Roaches
13	Unit 10		x			Damaged bedroom Hardware/Locks	Bedroom door hardware not functioning as it should because of damage to the doors hardware
13	Unit 10			x		Missing/Inoperable smoke detector in hallway	Fixed Onsite
13	Unit 10	x				Refrigerator - Missing/Damaged/Inoperable	Fridge seal damaged
13	Unit 10	x				Missing/Broken Cover Plates throughout	Outlet cover is cracked or missing
13	Unit 10	x				Lavatory Sink - Damaged/Missing	A stopper is missing

Total	84	89	21	20
			7	
Uncorrected	84	89	21	20
			7	

Buildings 2 & 10 are missing - demolished.

1c

**INTERNAL AUDIT  
BOARD ACTION REQUEST  
January 20, 2010**

**Recommend Action**

Approve the internal audit charter and the internal audit board resolution # 11-017.

**RESOLVED**, that the internal audit charter and board resolution # 11-017 are approved as presented.

**Background**

Internal Audit Standards (the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*) require annual approval of the Internal Audit Charter and the Board Resolutions regarding internal audit. The content of the charter and the resolution has not changed since their last approval in March 2010. The newest version of the charter corrects some minor typographical errors.

1d

# FINANCIAL ADMINISTRATION DIVISION

## BOARD REPORT ITEM

January 20, 2011

### No Action Required

Presentation of the Department's 1st Quarter Investment Report

### Background

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and fair value at the beginning and end of the quarter.
- Overall, the portfolio carrying value decreased by \$73,068,977 (See Page 1) for a total of \$1,555,610,282. The \$73.1 million portfolio decrease can be explained primarily by bond related payments within Residential Mortgage Revenue Bonds (RMRB) and the Single Family indenture offset by the annual transfer of General Revenue into the Housing Trust Fund. The RMRB indenture paid \$38.8 million in principal and \$537 thousand in interest and the Single Family indenture paid \$45.5 million in principal and \$14.7 million in interest during the first quarter. In addition, the Department received \$8.7 million in General Revenue related to Housing Trust Fund.

The portfolio consists of (See Page 4):

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
<b>Mortgage Backed Securities (MBS)</b>	71%	73%
<b>Guaranteed Investment Contract/ Investment Agreement (GIC/IA)</b>	1%	3%
<b>Repurchase Agreements</b>	9%	5%
<b>Other (Cd's, MM's, T-Bonds)</b>	19%	19%

The 2% MBS increase is a result of security purchases which represents the origination of loans with bond proceeds. The 2% GIC/IA Agreement increase is a result of the investment of security maturities which represent loan repayments related to the Single Family and RMRB indentures during the first quarter. The 4% Repurchase Agreement decrease is due to payments made related to the bonds.

The portfolio activity for the quarter (See Page 5):



- \$23,483,744 of MBS purchases during the quarter represent portfolio activity for new loans originated.
- The maturities in MBS this quarter were \$45,835,734 which represents loan payoffs. The table below shows a steady trend in new loans and loan payoffs.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
	FY 10	FY 10	FY 10	FY 10	FY 11	Total
Purchases	4,606,290	24,410,434	43,198,686	31,713,546	23,483,744	127,412,700
Sales			11,427,978	40,723,437		52,151,415
Maturities	31,530,340	99,005,620	59,754,364	37,554,622	45,835,734	273,680,680

- The fair value (the amount at which a financial instruments could be exchanged in a current transaction between willing parties) increased \$3,060,349 (See Pages 1 and 5) increasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being more. The national average for a 30-year fixed mortgage as reported by HSH Associates Financial Publishers (a national clearinghouse of mortgage data) was 4.69% for the end of November down from 4.81% at the end of May. There are various factors that affect the fair value of these investments but there is a correlation between the prevailing mortgage interest rates and the change in market value.
- Given the current financial environment, this change in market value is to be expected. If current mortgage rates continue to decrease, the Department can expect another increase in market value next quarter. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.
- The process of valuing investments at fair value (market value) generates unrealized gains and losses. These gains or losses do not impact the overall portfolio because the Department does not typically liquidate these investments (mortgage backed securities) but holds them until maturity.
- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.

- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The next page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA report). This report shows parity (ratio of assets to liabilities) by indentures with assets greater than liabilities in a range from 99.79% to 113.52% which would indicate the Department has sufficient assets to meet its obligations.
- The interest comparison for each of the indentures shows interest income greater than interest expense and indicates a current positive cash flow.

**Texas Department of Housing and Community Affairs**  
**Bond Finance Division**  
**Executive Summary**  
*As of November 30, 2010*

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
<b>PARITY COMPARISON:</b>					
PARITY ASSETS					
Cash	\$ 139,094	\$ -	\$ -	\$ 5,877,986	\$ 6,017,080
Investments <sup>(1)</sup>	\$ 42,265,893	\$ 319,750,078	\$ 692,032	\$ 89,029,543	\$ 451,737,546
Mortgage Backed Securities <sup>(1)</sup>	\$ 829,713,931	\$ 213,109,861	\$ 8,343,326	\$ -	\$ 1,051,167,118
Loans Receivable <sup>(2)</sup>	\$ 8,450,363	\$ 754,196	\$ -	\$ 1,179,218,757	\$ 1,188,423,316
Accrued Interest Receivable	\$ 4,014,209	\$ 1,532,483	\$ 56,159	\$ 10,027,503	\$ 15,630,354
<b>TOTAL PARITY ASSETS</b>	<b>\$ 884,583,490</b>	<b>\$ 535,146,618</b>	<b>\$ 9,091,517</b>	<b>\$ 1,284,153,789</b>	<b>\$ 2,712,975,414</b>
PARITY LIABILITIES					
Bonds Payable <sup>(1)</sup>	\$ 850,590,000	\$ 520,555,000	\$ 8,000,000	\$ 1,179,893,154	\$ 2,559,038,154
Accrued Interest Payable	\$ 9,700,804	\$ 5,096,278	\$ 9,068	\$ 10,171,970	\$ 24,978,120
Other Non-Current Liabilities <sup>(3)</sup>				\$ 96,825,891	\$ 96,825,891
<b>TOTAL PARITY LIABILITIES</b>	<b>\$ 860,290,804</b>	<b>\$ 525,651,278</b>	<b>\$ 8,009,068</b>	<b>\$ 1,286,891,015</b>	<b>\$ 2,680,842,165</b>
PARITY DIFFERENCE	\$ 24,292,686	\$ 9,495,340	\$ 1,082,449	\$ (2,737,226)	\$ 32,133,249
<b>PARITY</b>	<b>102.82%</b>	<b>101.81%</b>	<b>113.52%</b>	<b>99.79%</b>	<b>101.20%</b>
<b>INTEREST COMPARISON (For the <i>Third Fiscal Month</i>) :</b>					
INTEREST INCOME					
Interest & Investment Income	\$ 3,795,277	\$ 1,051,150	\$ 51,664	\$ 4,541,186	\$ 9,439,277
<b>TOTAL INTEREST INCOME</b>	<b>\$ 3,795,277</b>	<b>\$ 1,051,150</b>	<b>\$ 51,664</b>	<b>\$ 4,541,186</b>	<b>\$ 9,439,277</b>
INTEREST EXPENSE					
Interest on Bonds	\$ 3,217,769	\$ 979,179	\$ 44,493	\$ 4,541,093	\$ 8,782,534
<b>TOTAL INTEREST EXPENSE</b>	<b>\$ 3,217,769</b>	<b>\$ 979,179</b>	<b>\$ 44,493</b>	<b>\$ 4,541,093</b>	<b>\$ 8,782,534</b>
NET INTEREST	\$ 577,508	\$ 71,971	\$ 7,171	\$ 93	\$ 656,743
<b>INTEREST RATIO</b>	<b>117.95%</b>	<b>107.35%</b>	<b>116.12%</b>	<b>100.00%</b>	<b>107.48%</b>

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value.

This adjustment is consistent with indenture cashflows prepared for rating agencies.

(2) Loans Receivable include whole loans only. Special mortgage loans are excluded.

(3) Other Non-Current Liabilities include "Due to Developers" (for insurance, taxes and other operating expenses) and "Earning Due to Developers" (on investments).

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION**

**PUBLIC FUNDS INVESTMENT ACT  
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)  
QUARTER ENDING NOVEMBER 30, 2010**

**PUBLIC FUNDS INVESTMENT ACT  
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)  
QUARTER ENDING NOVEMBER 30, 2010**

- 1) PFIA- Internal Management Report (Sec. 2256.023)
- 2) Bar Graph - Comparison of Market by Fund Group between Quarters
- 3) Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
- 4) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
- 5) Supplemental Public Funds Investment Act Report by Investment Type
- 6) Detail of Investments including maturity dates by Fund Group

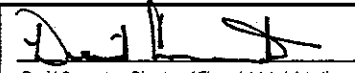

HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Internal Management Report (Sec. 2256.023)  
Quarter Ending November 30, 2010

(b) (4) Summary statement of each pooled fund group:

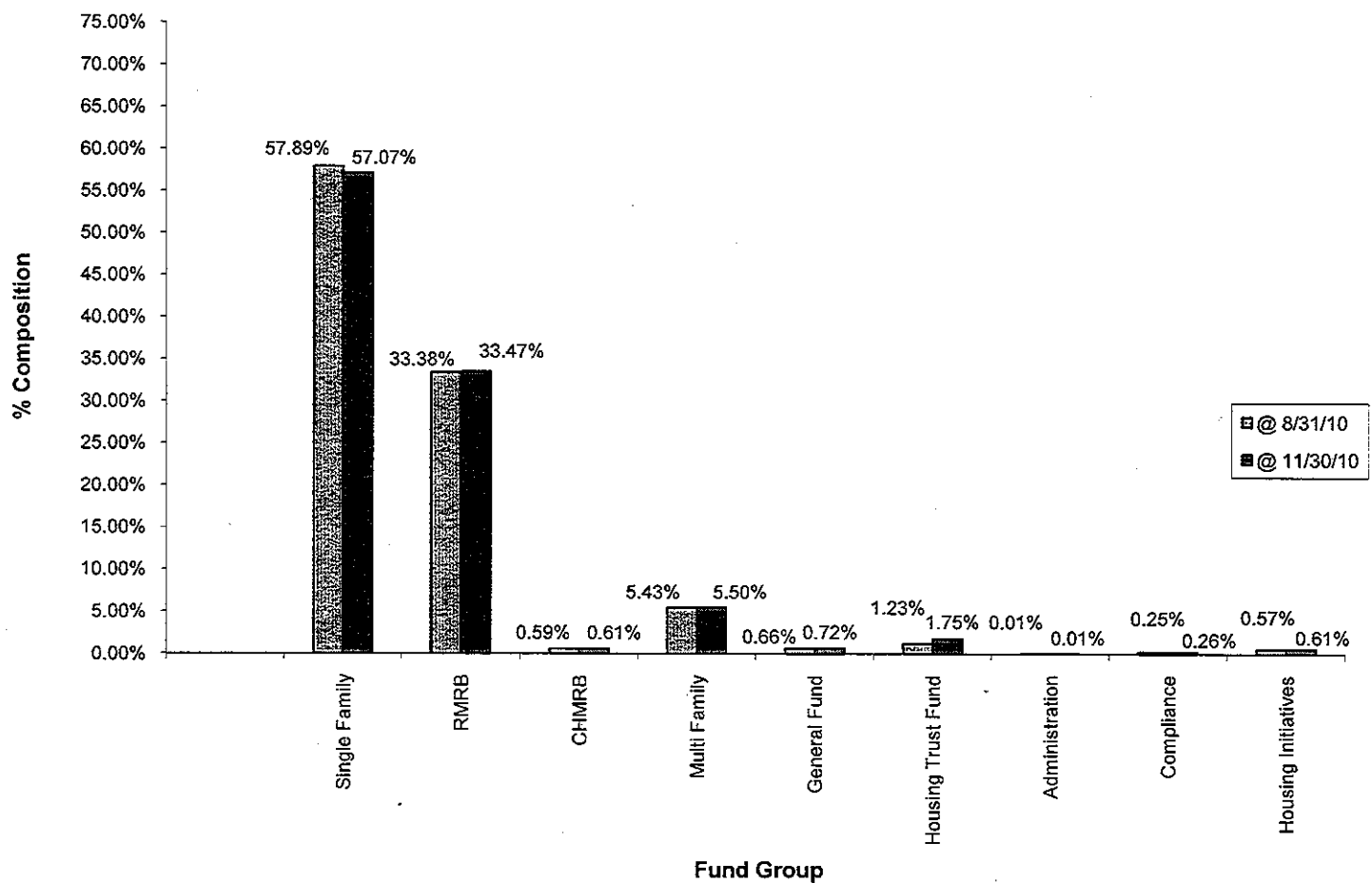
INDENTURE	FAIR VALUE	CARRYING	ACCRETION/ PURCHASES	CHANGE IN CARRYING VALUE			CARRYING	FAIR VALUE	CHANGE	ACCRUED	RECOGNIZED
	(MARKET) @ 8/31/10	VALUE @ 8/31/10		AMORTIZATION/ SALES	MATURITIES	TRANSFERS		VALUE @ 11/30/10	(MARKET) @ 11/30/10	IN FAIR VALUE (MARKET)	
Single Family	995,065,263.21	925,003,558.64	25,032,356.11	(53,224,467.46)	(27,661,090.21)	0.00	869,150,357.08	940,948,866.79	1,736,805.14	3,957,462.00	0.00
RMRB	573,723,385.05	554,745,168.30	16,470,654.57	(33,545,746.39)	(6,103,193.66)	0.00	531,566,882.82	551,886,245.98	1,341,146.41	1,527,297.00	0.00
CHMRB	10,150,894.74	9,019,885.51	396,669.83	(138,715.08)	(260,060.77)	0.00	9,017,779.49	10,131,185.79	(17,602.93)	56,160.00	0.00
Multi Family	93,351,185.71	93,351,185.71	16,024,083.94	(6,869,508.44)	(11,811,389.19)	0.00	90,694,372.02	90,694,372.02	-	10.00	0.00
General Fund	11,269,944.63	11,269,944.63	6,091,582.91	(5,511,477.22)	0.00	0.00	11,850,050.32	11,850,050.32	-	3,381.00	0.00
Housing Trust Fund	21,164,902.08	21,164,902.08	10,889,716.92	(3,235,521.40)	0.00	0.00	28,819,097.60	28,819,097.60	-	160.00	0.00
Administration	158,852.19	158,852.19	49.29	0.00	0.00	0.00	158,901.48	158,901.48	-	1.00	0.00
Compliance	4,241,749.32	4,241,749.32	29,818.70	(52,400.25)	0.00	0.00	4,219,167.77	4,219,167.77	-	23.00	0.00
Housing Initiatives	9,724,011.95	9,724,011.95	589,294.91	(179,633.64)	0.00	0.00	10,133,673.22	10,133,673.22	-	56.00	0.00
<b>TOTAL</b>	<b>1,718,850,188.88</b>	<b>1,628,679,258.33</b>	<b>75,524,227.18</b>	<b>(102,757,469.88)</b>	<b>(45,835,733.83)</b>	<b>0.00</b>	<b>1,555,610,281.80</b>	<b>1,648,841,560.97</b>	<b>3,060,348.62</b>	<b>5,544,550.00</b>	<b>0.00</b>

\* No relationship can be drawn between the "ACCURED INT REC'BL @ 11/30/10" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc.). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$96,572,357 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

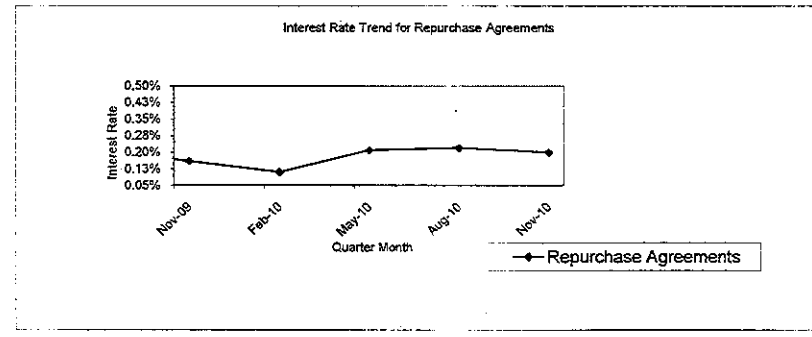
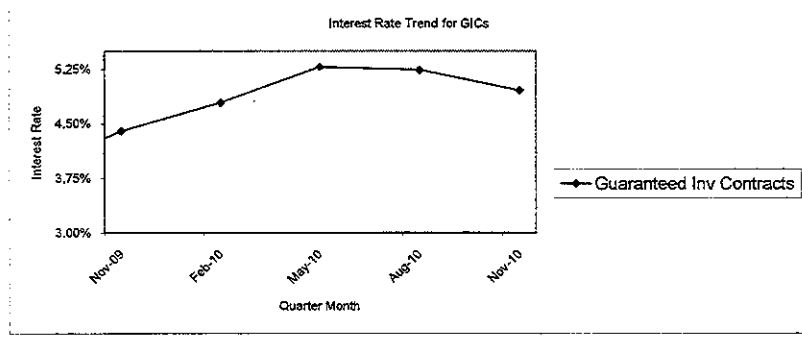
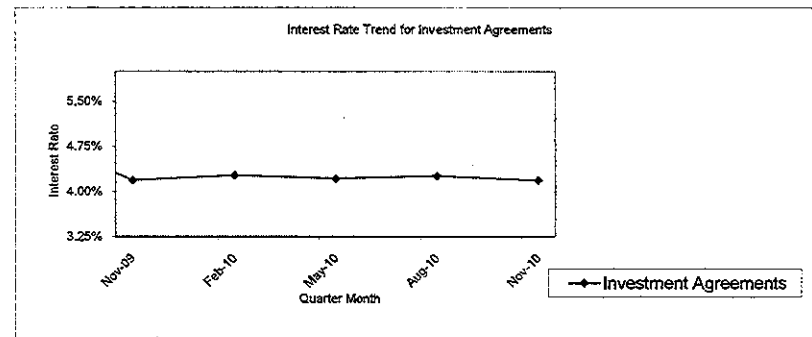
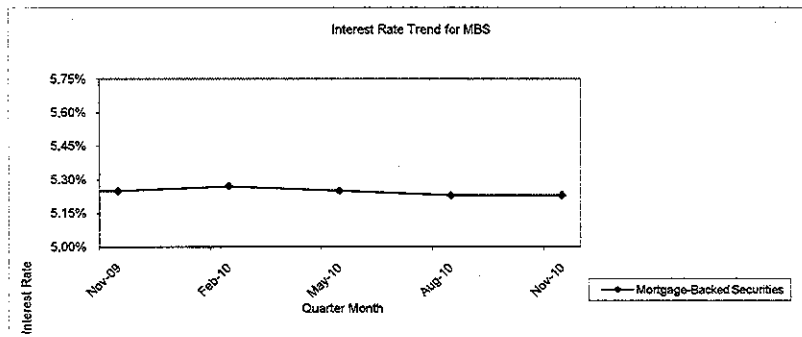
 David Cervantes, Director of Financial Administration	Date <u>1/7/11</u>
 Tim Nelson, Director of Bond Finance	Date <u>1-7-11</u>

### Market Valuation Comparison By Fund Group

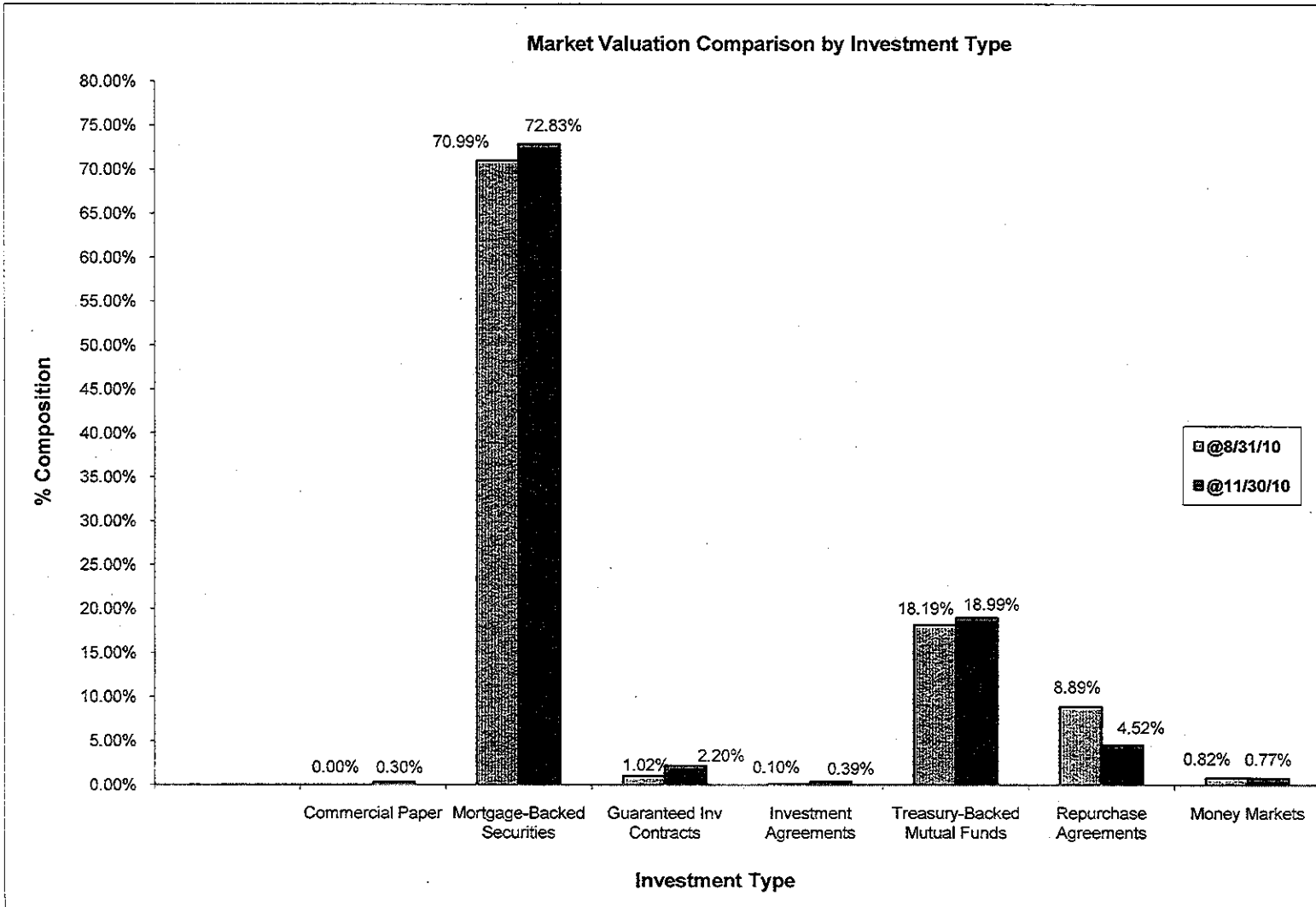


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities  
Quarter November 30, 2010

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity	
	HI	LOW		Begin Carrying Value @ 08/31/10	Begin Market Value @ 08/31/10	End Carrying Value @ 11/30/10	End Market Value @ 11/30/10	Begin Carrying Value @ 08/31/10	Days	Begin Market Value @ 08/31/10	Days	End Carrying Value @ 11/30/10	Days	End Market Value @ 11/30/10	Days
Mortgage-Backed Securities	8.75%	4.49%	72.83%	5.22%	5.22%	5.23%	5.23%	307	8	306	27	309	10	308	18
Guaranteed Inv Contracts	6.09%	3.37%	2.20%	5.24%	5.24%	4.96%	4.96%	256	3	256	3	277	14	277	14
Investment Agreements	6.15%	2.51%	0.39%	4.26%	4.26%	4.19%	4.19%	331	27	331	27	342	27	342	27
Repurchase Agreements	0.20%	0.20%	4.52%	0.22%	0.22%	0.20%	0.20%	0	1	0	1	0	1	0	1
Money Markets	0.08%	0.01%	0.77%	0.01%	0.01%	0.01%	0.01%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	0.08%	0.01%	18.89%	0.01%	0.01%	0.01%	0.01%	0	1	0	1	0	1	0	1
Commercial Paper	0.29%	0.29%	0.30%	0.00%	0.00%	0.29%	0.29%	0	0	0	0	3	3	3	3





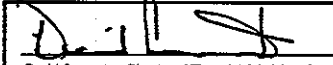
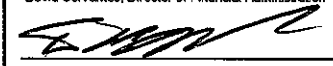


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
 HOUSING FINANCE DIVISION  
 PUBLIC FUNDS INVESTMENT ACT  
 Supplemental Public Funds Investment Act Report by Investment Type Schedule  
 Quarter Ending November 30, 2010

(b) (4) Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 8/31/10	CARRYING VALUE @ 8/31/10	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 11/30/10	FAIR VALUE (MARKET) @ 11/30/10	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Commercial Paper	0.00	0.00	5,003,289.26	0.00	0.00	0.00	5,003,289.26	5,003,289.26	-	0.00
Mortgage-Backed Securities	1,220,168,936.72	1,129,998,006.17	23,483,744.12	0.00	(45,835,733.83)	0.00	1,107,646,016.46	1,200,877,295.63	3,060,348.62	0.00
Guaranteed Inv Contracts	17,549,544.36	17,549,544.36	19,143,025.49	(496,555.30)	0.00	0.00	36,196,014.55	36,196,014.55	-	0.00
Investment Agreements	1,768,808.75	1,768,808.76	4,884,879.04	(246,930.01)	0.00	0.00	6,406,757.79	6,406,757.79	-	0.00
Treasury-Backed Mutual Funds	312,575,401.07	312,575,401.07	2,674,825.58	(2,196,997.74)	0.00	0.00	313,053,228.91	313,053,228.91	-	0.00
Repurchase Agreements	152,732,856.59	152,732,856.59	17,251,127.05	(95,392,356.47)	0.00	0.00	74,591,627.17	74,591,627.17	-	0.00
Money Markets	14,054,641.38	14,054,641.38	3,083,336.64	(4,424,630.36)	0.00	0.00	12,713,347.66	12,713,347.66	-	0.00
<b>TOTAL</b>	<b>1,718,850,188.88</b>	<b>1,628,679,258.33</b>	<b>75,524,227.18</b>	<b>(102,757,469.88)</b>	<b>(45,835,733.83)</b>	<b>0.00</b>	<b>1,555,610,281.80</b>	<b>1,648,841,560.97</b>	<b>3,060,348.62</b>	<b>0.00</b>

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

 David Cervantes, Director of Financial Administration	Date <u>1/7/11</u>
 Tim Nelson, Director of Bond Finance	Date <u>1-7-11</u>

**Detail of Investments including maturity dates by Fund Group**

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending November 30, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	0.20	11/30/10	12/01/10	4,279.67	4,279.67		(2,291.44)			1,988.23	1,988.23	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.20	11/30/10	12/01/10	4,747,952.83	4,747,952.83		(4,747,949.56)			3.27	3.27	-	0.00
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	4,928,717.23	4,928,717.23	2,974,612.44				7,903,329.67	7,903,329.67	-	0.00
Repo Agmt	1980 Single Family Surplus Rev				1.89	1.89		(1.89)					-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.20	11/30/10	12/01/10	50,560.23	50,560.23		(42,330.60)			8,229.63	8,229.63	-	0.00
	<b>1980 Single Family Surplus Rev Total</b>				<b>9,731,511.85</b>	<b>9,731,511.85</b>	<b>2,974,612.44</b>	<b>(4,792,573.48)</b>	<b>0.00</b>	<b>0.00</b>	<b>7,913,550.80</b>	<b>7,913,550.80</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1982 A Single Family	0.20	11/30/10	12/01/10	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	-	0.00
	<b>1982 A Single Family Total</b>				<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1983 A&B Single Family	0.20	11/30/10	12/01/10	5,295.01	5,295.01		(5,294.48)			0.53	0.53	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	116,731.13	116,731.13	60,466.60				177,197.73	177,197.73	-	0.00
	<b>1983 A&amp;B Single Family Total</b>				<b>122,026.14</b>	<b>122,026.14</b>	<b>60,466.60</b>	<b>(5,294.48)</b>	<b>0.00</b>	<b>0.00</b>	<b>177,198.26</b>	<b>177,198.26</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1984 A&B Single Family	0.20	11/30/10	12/01/10	1,625.66	1,625.66		(1,625.33)			0.33	0.33	-	0.00
GIC's	1984 A&B Single Family	6.08	11/14/96	09/30/29			59,973.99				59,973.99	59,973.99	-	0.00
	<b>1984 A&amp;B Single Family Total</b>				<b>1,625.66</b>	<b>1,625.66</b>	<b>59,973.99</b>	<b>(1,625.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>59,974.32</b>	<b>59,974.32</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1985 A Single Family	0.20	11/30/10	12/01/10	812.41	812.41		(812.39)			0.02	0.02	-	0.00
GIC's	1985 A Single Family	6.08	11/14/96	09/30/29	44,695.97	44,695.97	13,330.24				58,026.21	58,026.21	-	0.00
	<b>1985 A Single Family Total</b>				<b>45,508.38</b>	<b>45,508.38</b>	<b>13,330.24</b>	<b>(812.39)</b>	<b>0.00</b>	<b>0.00</b>	<b>58,026.23</b>	<b>58,026.23</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1985 B&C Single Family	0.20	11/30/10	12/01/10	114.23	114.23		(114.22)			0.01	0.01	-	0.00
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29	12,017.03	12,017.03		(9,736.11)			2,290.92	2,290.92	-	0.00
	<b>1985 B&amp;C Single Family Total</b>				<b>12,131.26</b>	<b>12,131.26</b>	<b>0.00</b>	<b>(9,840.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,290.93</b>	<b>2,290.93</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1987 B Single Family	0.20	11/30/10	12/01/10	2,316.60	2,316.60		(2,316.51)			0.09	0.09	-	0.00
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	101,233.18	101,233.18		(74,010.02)			27,223.16	27,223.16	-	0.00
Repo Agmt	1987 B Single Family	0.20	11/30/10	12/01/10	6,765.00	6,765.00	0.00				6,765.00	6,765.00	-	0.00
	<b>1987 B Single Family Total</b>				<b>110,314.78</b>	<b>110,314.78</b>	<b>0.00</b>	<b>(76,326.53)</b>	<b>0.00</b>	<b>0.00</b>	<b>33,988.25</b>	<b>33,988.25</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1995 A&B Single Family	0.20	11/30/10	12/01/10	13,423.38	13,423.38		(13,423.28)			0.10	0.10	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	71,199.90	71,199.90		(16,248.98)			54,950.92	54,950.92	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	77,072.12	78,668.54			(23,429.19)		47,642.93	53,544.39	(1,694.96)	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96		449,445.65	496,930.42			(5,393.88)		444,051.77	500,081.08	8,524.54	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	152,281.03	168,371.04			(6,227.05)		146,053.98	164,503.52	2,359.53	0.00
	<b>1995 A&amp;B Single Family Total</b>				<b>757,422.08</b>	<b>828,593.28</b>	<b>0.00</b>	<b>(29,672.26)</b>	<b>(35,050.12)</b>	<b>0.00</b>	<b>692,699.70</b>	<b>773,060.01</b>	<b>9,189.11</b>	<b>0.00</b>
Repo Agmt	1996 A-C Single Family	0.20	11/30/10	12/01/10	14,460.33	14,460.33	5.48				14,465.81	14,465.81	-	0.00
	<b>1996 A-C Single Family Total</b>				<b>14,460.33</b>	<b>14,460.33</b>	<b>5.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14,465.81</b>	<b>14,465.81</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1996 D&E Single Family	0.20	11/30/10	12/01/10	290,092.00	290,092.00	0.00				290,092.00	290,092.00	-	0.00
Repo Agmt	1996 D&E Single Family	0.20	11/30/10	12/01/10	18,346.25	18,346.25	6.99				18,353.24	18,353.24	-	0.00
	<b>1996 D&amp;E Single Family Total</b>				<b>308,438.25</b>	<b>308,438.25</b>	<b>6.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>308,445.24</b>	<b>308,445.24</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1997 D-F Single Family	0.20	11/30/10	12/01/10	610,401.18	610,401.18		(336,839.35)			273,561.83	273,561.83	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	289,059.56	319,807.56			(3,789.97)		285,269.59	318,492.84	2,475.25	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	83,050.86	91,884.95			(1,047.79)		82,003.07	91,553.11	715.95	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	378,790.08	423,540.35			(4,577.07)		374,213.01	426,389.57	7,426.29	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	948,478.22	1,032,361.64			(8,297.21)		940,181.01	1,024,975.93	911.50	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	184,061.49	205,806.54			(2,385.79)		181,675.70	207,006.76	3,586.01	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	219,420.86	238,826.41			(1,484.90)		217,935.96	237,591.58	250.07	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	393,179.99	439,630.30			(5,575.60)		387,604.39	441,648.12	7,593.42	0.00
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	659,519.11	737,434.76			(8,236.68)		601,282.43	685,119.30	5,921.22	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	96,854.60	107,157.01			(733.74)		96,120.86	107,315.09	891.82	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	643,762.37	719,816.35			(6,536.33)		637,226.04	726,074.37	12,794.35	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	337,024.73	376,840.83			(3,161.32)		333,863.41	380,413.99	6,734.48	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	114,401.59	126,570.48			(1,274.55)		113,127.04	126,301.81	1,005.88	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,293,345.84	1,445,081.19			(12,232.12)		1,281,113.72	1,458,893.88	26,044.81	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	591,853.33	661,289.56			(5,238.41)		586,614.92	668,019.47	11,968.32	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	321,586.99	359,764.72			(2,535.11)		319,051.88	363,784.49	6,554.88	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	530,637.05	577,678.02			(5,173.23)		525,463.82	572,944.73	439.94	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	772,016.11	840,455.28			(6,899.26)		765,116.83	834,252.71	696.71	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	509,615.52	554,782.92			(4,603.36)		505,012.16	550,645.04	455.48	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	442,562.63	449,136.29			(3,147.25)		409,415.38	446,410.14	421.10	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	176,582.28	190,688.42			(2,252.43)		174,329.85	188,785.27	348.28	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	877,624.27	955,425.65			(7,345.51)		870,278.76	948,917.14	837.00	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	993,394.95	1,081,459.42			(7,746.39)		985,648.56	1,074,711.78	998.75	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	873,101.73	1,059,367.17			(7,752.53)		965,349.20	1,052,578.12	963.48	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,081,023.10	1,176,628.75			(8,441.55)		1,072,581.55	1,169,317.63	1,130.43	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	561,951.81	611,850.84			(5,910.50)		556,041.31	606,190.67	450.33	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	245,565.07	267,282.86			(1,987.67)		243,577.40	265,545.66	250.47	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	109,014.88	117,723.85			(768.97)		108,245.71	117,221.44	266.56	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	376,844.64	410,172.75			(52,918.52)		323,925.72	353,140.54	(4,113.29)	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	466,903.02	508,195.91			(11,557.99)		455,345.03	496,412.57	(225.35)	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	973,053.94	1,059,110.48			(6,986.79)		966,066.85	1,053,196.39	1,072.70	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	174,260.08	188,213.00			(3,763.35)		170,496.73	184,363.15	(86.50)	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	39,565.17	43,064.32			(262.31)		39,302.86	42,847.99	45.58	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	206,086.70	224,313.02			(1,538.56)		204,548.14	222,936.35	221.89	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	376,256.80	406,383.63			(9,052.47)		367,204.33	397,069.00	(262.16)	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	62,536.07	68,068.73			(455.46)		62,080.61	67,679.63	68.36	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	187,345.17	202,345.85			(1,463.33)		185,881.84	200,999.56	117.04	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	304,558.17	328,944.15			(3,292.35)		301,265.82	325,767.78	115.98	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	31,008.43	33,485.69			(305.88)		30,702.55	33,248.40	68.59	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	49,085.51	52,852.16			(7,918.44)		41,177.07	44,218.51	(715.21)	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	36,929.33	39,696.95			(194.49)		36,734.84	39,391.11	(111.35)	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	58,502.12	63,023.01			(7,283.96)		51,218.16	55,041.78	(697.27)	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	44,848.64	46,318.57			(238.84)		44,609.80	47,944.21	(135.52)	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	58,912.21	63,222.92			(314.75)		58,597.46	62,732.08	(176.09)	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	58,822.78	63,427.06			(300.56)		58,522.22	62,948.75	(177.75)	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	90,057.50	96,839.61			(563.01)		89,494.49	95,998.03	(278.57)	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	43,636.45	47,057.62			(219.99)		43,416.46	46,704.12	(133.51)	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	11,798.73	12,709.80			(59.77)		11,738.99	12,614.63	(25.40)	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	23,556.77	25,510.34			(117.11)		23,439.66	25,320.37	(72.86)	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	15,306.82	16,482.12			(76.99)		15,229.83	16,368.56	(46.57)	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	4,839.69	5,292.31			(23.34)		4,816.35	5,253.17	(15.80)	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	20,038.72	21,287.39			(140.45)		19,898.27	21,438.68	281.74	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,026.08	6,396.64			(30.61)		5,995.47	6,444.00	77.97	0.00
	<b>1997 D-F Single Family Total</b>				<b>18,129,071.24</b>	<b>19,812,925.33</b>	<b>0.00</b>	<b>(336,838.35)</b>	<b>(288,214.98)</b>	<b>0.00</b>	<b>17,504,016.91</b>	<b>19,284,801.43</b>	<b>96,929.43</b>	<b>0.00</b>
Repo Agmt	2002A Single Family (JR Lien)	0.20	11/30/10	12/01/10	27,463.41	27,463.41	97,869.35				125,332.76	125,332.76	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.20	11/30/10	12/01/10	11,497.23	11,497.23	36,065.99				47,563.22	47,563.22	-	0.00
	<b>2002A Single Family (JR Lien) Total</b>				<b>38,960.64</b>	<b>38,960.64</b>	<b>133,935.34</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>172,895.98</b>	<b>172,895.98</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	2004 A/B Single Family	0.20	11/30/10	12/01/10	4,842,241.02	4,842,241.02		(4,321,048.92)			521,192.10	521,192.10	-	0.00
GIC's	2004 A/B Single Family	3.96	04/25/05	03/01/36	262,811.67	262,811.67	1,461,323.73				1,724,135.40	1,724,135.40	-	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	888,026.10	952,802.46			(5,909.17)		882,116.93	943,700.42	(3,192.87)	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	760,837.24	816,340.05			(4,600.56)		756,236.68	809,036.96	(2,702.53)	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	244,765.88	262,618.57			(1,465.29)		243,300.59	260,284.66	(868.62)	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	842,948.94	904,483.69			(5,126.68)		837,822.26	896,359.47	(2,997.54)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/04	09/20/34	1,211,129.41	1,300,198.04			(7,664.01)		1,204,065.40	1,288,204.41	(4,329.62)	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	1,991,857.18	2,137,283.05			(11,927.40)		1,979,929.78	2,118,295.47	(7,070.18)	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	670,678.86	719,652.55			(3,710.85)		666,968.01	713,582.35	(2,358.35)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,132,400.50	1,215,095.60			(7,351.20)		1,125,049.30	1,203,684.86	(4,059.54)	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	1,267,073.02	1,359,617.89			(7,959.33)		1,259,113.69	1,347,134.70	(4,523.86)	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	1,780,086.12	1,909,952.42			(13,065.87)		1,767,020.15	1,890,402.68	(6,483.77)	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,263,279.74	1,355,449.23			(7,673.74)		1,255,606.00	1,343,284.34	(4,491.15)	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	1,984,389.92	2,129,161.18			(13,032.99)		1,971,356.93	2,108,005.01	(7,123.18)	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	1,916,751.29	2,056,631.51			(157,678.81)		1,759,072.48	1,881,937.96	(17,014.74)	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	2,349,600.43	2,521,081.77			(137,563.97)		2,212,036.52	2,366,552.00	(16,965.80)	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	2,673,085.18	3,082,798.34			(99,333.02)		2,773,762.16	2,967,530.35	(15,934.97)	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	253,306.90	276,252.87			(1,270.83)		252,036.07	273,772.64	(1,209.40)	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,582,167.63	1,697,656.31			(8,527.46)		1,573,629.17	1,683,258.26	(6,570.59)	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	79,493.02	86,531.74			(396.43)		79,096.59	85,755.21	(380.10)	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	892,125.88	946,602.55			(4,975.45)		887,150.43	938,516.77	(3,110.33)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	203,102.58	220,874.48			(1,482.50)		201,620.08	218,869.94	(622.04)	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	343,876.82	369,013.46			(2,081.83)		341,794.89	365,698.36	(1,223.17)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	140,078.22	152,760.90			(708.82)		139,369.30	151,325.03	(726.95)	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	122,175.69	132,928.48			(608.11)		121,567.59	131,979.58	(349.79)	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	688,882.76	739,242.28			(4,352.39)		684,530.37	732,428.19	(2,461.70)	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	929,646.87	996,480.85			(4,976.41)		924,670.46	986,248.73	(3,255.71)	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	737,272.94	802,116.61			(4,422.78)		732,850.16	795,518.87	(2,174.96)	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	688,581.01	745,882.04			(4,049.16)		684,531.85	739,815.60	(2,017.08)	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,332,393.11	1,429,723.30			(7,582.83)		1,324,810.18	1,417,438.15	(4,702.22)	0.00
GNMA	2004 A/B Single Family	5.00	10/26/04	10/20/34	321,630.21	349,921.32			(1,688.17)		319,942.04	347,326.64	(626.51)	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	450,563.31	463,607.79			(2,429.64)		448,133.15	478,596.66	(1,581.09)	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,688,420.20	1,811,785.27			(8,849.76)		1,679,570.44	1,795,959.77	(5,975.74)	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	929,628.78	997,556.41			(5,967.45)		923,661.33	989,260.66	(3,328.30)	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	330,849.10	359,954.36			(1,685.13)		329,163.97	357,318.79	(950.44)	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	641,470.43	688,346.62			(4,101.67)		637,368.76	681,949.42	(2,295.53)	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	198,273.24	216,164.54			(1,119.62)		197,153.62	214,085.84	(959.08)	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,164,865.77	1,249,994.76			(6,630.26)		1,158,235.51	1,239,253.12	(4,111.38)	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	375,644.54	408,707.43			(2,243.52)		373,401.02	405,356.39	(1,107.52)	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	471,021.62	505,457.35			(3,183.88)		467,837.74	500,575.71	(1,697.76)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	409,108.05	445,118.52			(2,001.02)		407,107.03	441,949.16	(1,168.34)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	101,726.22	109,576.03			(531.91)		101,194.31			

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	606,112.18	649,662.07			(3,693.59)		602,418.59	644,138.50	(1,829.98)	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	437,285.84	468,707.19			(2,440.58)		434,845.26	464,961.88	(1,304.73)	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	334,417.32	358,448.58			(1,767.10)		332,650.22	355,691.17	(991.31)	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	1,317,086.63	1,411,749.56			(7,165.23)		1,309,921.60	1,400,867.18	(3,917.15)	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,063,729.11	1,144,519.96			(5,710.97)		1,058,018.14	1,135,616.29	(3,192.70)	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	909,013.52	988,022.95			(114,615.46)		794,398.06	861,509.28	(11,898.21)	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	514,590.82	551,581.47			(3,108.52)		511,482.30	546,921.04	(1,561.91)	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	207,404.48	225,431.59			(1,028.96)		206,375.52	223,810.23	(592.40)	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	237,218.49	254,271.89			(1,298.52)		235,919.97	252,267.27	(706.10)	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	288,876.90	313,990.17			(1,423.03)		287,453.87	311,742.83	(824.31)	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	243,508.80	262,008.72			(1,591.35)		241,917.45	258,665.61	(751.76)	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	175,996.57	191,745.68			(840.60)		175,155.97	190,402.92	(502.16)	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	417,306.05	447,314.78			(3,502.80)		413,803.45	442,485.53	(1,326.65)	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	155,766.50	169,311.35			(757.77)		155,008.73	168,109.87	(443.71)	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	88,807.60	95,555.96			(1,266.54)		87,541.06	93,964.90	(324.52)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	171,806.48	187,606.06			(982.91)		170,823.57	185,563.44	(1,059.71)	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	123,625.80	135,028.37			(588.38)		123,037.42	134,238.33	(201.66)	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	515,384.34	552,457.09			(3,701.41)		511,682.93	547,160.39	(1,595.29)	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	324,345.22	352,558.25			(1,621.72)		322,723.50	350,008.87	(927.66)	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	302,927.97	324,721.86			(1,621.46)		301,306.51	322,201.13	(899.27)	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	261,229.70	284,617.70			(1,275.17)		259,954.53	282,594.70	(747.83)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	128,316.92	138,064.28			(72,852.52)		53,464.40	58,226.98	(6,994.78)	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	624,208.39	669,123.23			(116,345.37)		507,863.02	543,087.09	(6,990.77)	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	98,413.98	108,373.77			(480.63)		98,933.35	107,293.52	(599.62)	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	453,158.21	487,613.20			(2,327.61)		450,830.60	483,932.91	(1,352.68)	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	120,807.66	131,963.86			(565.10)		120,222.56	131,180.70	(198.06)	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	209,649.84	228,433.93			(993.35)		208,656.49	226,495.86	(944.72)	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	316,549.06	340,634.75			(1,618.57)		314,930.49	338,071.69	(944.49)	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	120,219.98	131,342.93			(926.06)		119,293.92	130,212.33	(204.54)	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	262,657.65	282,632.57			(1,375.51)		261,282.14	280,471.06	(786.00)	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	149,785.79	163,685.82			(789.97)		148,995.82	162,645.54	(250.31)	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	196,191.71	211,113.01			(1,586.10)		194,605.61	208,898.76	(628.15)	0.00
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	63,282.34	67,837.60			(5,767.50)		57,514.84	61,505.53	(564.57)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	281,554.21	306,775.48			(1,832.17)		279,722.04	304,087.31	(846.00)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	146,695.15	157,866.49			(736.45)		145,958.70	156,893.27	(435.77)	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	468,615.27	509,444.87			(2,228.13)		466,387.14	505,885.69	(1,331.05)	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	185,322.62	202,040.32			(849.54)		184,473.08	200,085.33	(1,095.45)	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	248,278.77	268,250.03			(1,320.62)		247,958.15	266,182.21	(747.20)	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	21,281.73	23,045.75			(104.24)		21,157.49	22,909.14	(32.37)	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	2,563,410.97	2,748,071.56			(1,425.03)		2,548,985.94	2,725,986.05	(7,608.48)	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	106,545.12	116,122.73			(498.66)		106,046.46	114,985.04	(639.03)	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	131,643.43	141,664.24			(661.15)		130,982.28	140,611.16	(391.93)	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	354,919.14	385,830.50			(64,141.48)		290,777.66	315,394.20	(6,295.22)	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	292,691.25	313,774.31			(4,051.42)		288,639.83	308,681.14	(1,041.75)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	54,967.66	59,952.65			(271.79)		54,695.87	59,590.15	(90.71)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	193,526.15	211,939.36			(1,057.73)		192,468.42	210,487.96	(363.67)	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	541,167.37	589,714.57			(2,482.39)		538,684.98	585,696.17	(1,536.01)	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	200,818.93	216,120.04			(1,035.63)		199,783.30	214,484.20	(600.21)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	138,329.88	151,277.95			(704.27)		137,625.61	150,337.30	(236.39)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	160,570.17	174,970.24			(744.64)		159,825.53	173,406.65	(818.95)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	193,764.65	208,523.85			(78,910.61)		114,854.04	123,303.00	(6,310.24)	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	359,979.40	391,373.72			(2,463.20)		357,516.20	387,824.12	(1,086.40)	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,173,133.72	1,275,450.85			(87,602.39)		1,085,531.33	1,177,561.61	(10,266.95)	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	172,391.62	188,046.19			(837.30)		171,554.32	186,185.34	(1,023.55)	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	230,485.56	248,052.11			(1,142.01)		229,343.55	246,224.62	(665.48)	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	783,353.95	853,644.57			(3,659.03)		779,694.92	847,816.16	(2,159.38)	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	159,306.47	172,515.32			(719.33)		157,590.14	170,875.36	(920.63)	0.00
GNMA	2004 A/B Single Family	4.49	11/28/05	10/20/35	117,796.32	126,764.59			(568.22)		117,228.10	125,625.71	(350.66)	0.00
GNMA	2004 A/B Single Family	5.00	11/28/05	11/20/35	1,314,017.70	1,431,937.83			(6,178.38)		1,307,839.32	1,422,016.51	(3,743.04)	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,084,791.77	1,179,409.92			(4,977.20)		1,079,814.57	1,171,366.10	(3,066.62)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	12/20/35	863,763.78	939,103.89			(5,177.45)		858,586.33	931,388.76	(2,544.78)	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	200,626.46	215,107.84			(1,020.73)		199,605.73	213,494.64	(592.47)	0.00
GNMA	2004 A/B Single Family	5.00	01/15/06	01/20/36	969,902.98	1,053,968.40			(144,129.30)		825,773.56	897,696.13	(12,140.97)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	110,352.79	118,639.21			(688.20)		109,664.59	117,698.42	(251.59)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	627,903.97	662,330.47			(66,244.53)		561,659.44	610,062.49	(6,023.45)	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	83,801.45	90,192.95			(696.43)		83,105.02	89,226.62	(269.90)	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	2,228,693.01	2,416,359.15			(90,934.11)		2,137,758.90	2,313,353.97	(12,071.07)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	663,132.35	718,967.52			(3,239.20)		659,893.15	714,093.06	(1,635.26)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	131,153.38	122,493.39			(579.10)		121,904.29	129,931.72	(642.76)	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	819,706.43	890,763.57			(3,955.43)		815,751.00	887,083.83	(275.59)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,047,845.44	1,136,032.98			(4,854.16)		1,042,991.28	1,128,616.84	(2,561.98)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	194,150.69	209,410.71			(1,012.80)		193,137.89	207,885.85	(512.06)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	2,852,519.82	3,034,893.98			(15,889.21)		2,836,530.61	3,012,691.24	(6,213.53)	0.00
GNMA	2004 A/B Single Family	4.49</												

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	2,834,444.02	3,073,055.09			(14,457.44)		2,819,986.58	3,051,558.03	(7,039.62)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,607,471.16	1,746,868.63			(7,324.48)		1,600,146.68	1,738,106.49	(1,438.66)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,017,108.63	1,105,311.36			(4,613.03)		1,012,495.60	1,098,197.30	(2,501.03)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	445,006.80	482,505.65			(2,520.73)		442,486.07	478,858.81	(1,126.11)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	389,949.82	423,796.29			(1,759.45)		388,190.37	421,689.17	(347.67)	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	667,924.49	724,211.29			(3,282.90)		664,631.59	719,288.48	(1,648.91)	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	617,701.09	669,717.70			(2,809.09)		614,892.00	665,402.45	(1,506.16)	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	278,711.33	299,557.27			(1,350.74)		277,360.59	296,937.05	(1,268.48)	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,159,140.99	1,259,692.42			(5,476.38)		1,153,664.60	1,254,720.40	504.37	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	142,157.36	151,878.71			(3,614.54)		138,542.82	148,088.15	(166.02)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	918,911.54	998,629.92			(4,205.29)		914,706.25	994,236.85	(187.78)	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	745,931.26	808,762.48			(3,337.53)		742,593.73	803,610.47	(1,814.48)	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	562,296.56	611,086.16			(2,570.34)		559,726.22	608,271.32	(244.50)	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	163,216.48	174,374.33			(751.38)		162,465.10	173,787.53	164.58	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	991,135.01	1,077,140.73			(5,394.66)		985,740.35	1,071,697.35	(48.72)	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,169,480.01	1,288,007.95			(6,883.22)		1,162,596.79	1,258,144.20	(2,980.53)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	986,916.07	1,074,745.48			(5,049.96)		983,866.11	1,070,281.03	585.51	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	175,056.21	188,466.01			(95,136.16)		79,920.05	85,638.58	(7,441.29)	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	58,851.06	63,256.28			(279.89)		58,571.17	62,708.73	(267.66)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	426,889.81	465,013.34			(2,196.83)		424,692.98	461,750.54	(1,066.17)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	131,893.71	142,082.48			(921.72)		130,971.99	140,776.84	(383.52)	0.00
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	1,005,977.25	1,093,310.64			(5,772.50)		1,000,204.65	1,084,961.23	(2,576.81)	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	384,222.03	417,581.82			(2,408.87)		381,813.16	414,860.61	(312.34)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	215,868.33	230,194.65			(990.62)		214,877.71	228,521.93	(682.10)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	539,249.94	584,707.95			(2,438.58)		536,811.36	580,955.32	(1,314.05)	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	826,813.71	898,613.93			(7,686.22)		819,127.49	891,418.24	490.53	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	256,187.30	273,662.37			(1,219.84)		254,967.46	272,773.92	331.39	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,158,095.03	1,258,784.45			(5,246.49)		1,153,848.54	1,253,215.18	(1,302.77)	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	176,093.70	189,282.58			(848.59)		175,245.11	187,632.29	(801.70)	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	376,849.40	409,580.25			(1,774.19)		375,075.21	407,122.78	(683.26)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	711,046.98	772,810.46			(3,319.25)		707,727.73	768,362.16	(1,129.05)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	84,835.02	89,578.63			(298.85)		84,536.17	89,127.48	(152.30)	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	128,063.80	138,864.44			(675.36)		127,388.44	137,977.28	(311.80)	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	392,097.85	426,165.11			(1,706.54)		390,391.31	423,672.88	(785.29)	0.00
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/36	58,651.91	63,035.30			(294.25)		58,357.66	62,587.62	(153.23)	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	722,825.24	785,636.35			(3,163.51)		719,661.73	781,023.24	(1,449.20)	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	617,226.26	669,205.46			(2,852.79)		614,373.47	664,943.20	(1,509.47)	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	489,205.57	542,593.06			(2,316.91)		486,888.66	538,374.24	(901.91)	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	118,464.89	127,346.03			(658.10)		117,806.79	126,251.56	(538.37)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	61,032.07	64,774.92			(348.78)		60,683.29	64,283.02	(143.12)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	486,379.58	527,424.07			(2,134.82)		484,244.56	524,109.07	(1,180.18)	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	217,436.14	236,337.52			(1,008.69)		216,427.46	234,522.94	(405.90)	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	768,422.31	835,236.95			(10,623.24)		757,799.07	822,117.19	(2,496.52)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	679,593.29	758,709.59			(2,952.39)		676,640.90	734,237.14	(1,511.06)	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	181,407.37	195,017.05			(891.80)		180,515.57	193,297.90	(827.35)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	63,418.22	67,964.50			(283.28)		63,134.94	67,545.90	(135.32)	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	534,266.78	580,742.55			(2,315.12)		531,951.66	577,121.95	(1,305.49)	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36	97,731.92	108,516.71			(410.96)		97,320.94	105,850.08	(255.65)	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	70,378.51	75,487.11			(913.22)		70,065.29	75,040.96	(132.93)	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	407,280.28	442,521.72			(1,718.15)		405,562.13	439,923.52	(880.05)	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	79,051.37	86,262.72			(349.01)		78,702.36	85,708.78	(204.93)	0.00
GNMA	2004 A/B Single Family				192,624.05	209,301.70			(1,136.25)		191,487.70	207,466.46	(698.89)	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37	69,759.11	74,793.40			(69,759.11)				(5,034.29)	0.00
GNMA	2004 A/B Single Family				194,658.17	209,159.81			(855.98)		193,802.19	206,935.47	(1,268.36)	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	381,591.39	410,062.98			(1,808.36)		379,783.03	405,772.87	(2,481.75)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/24	294,704.32	313,363.74			(2,238.23)		292,466.09	314,993.15	3,867.64	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/24	190,963.15	203,049.82			(2,061.20)		188,899.95	203,540.58	2,551.96	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/24	228,842.18	243,333.93			(1,755.24)		227,086.94	244,416.54	2,837.85	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/24	226,686.41	241,042.12			(1,223.73)		225,462.68	242,540.06	2,721.67	0.00
FNMA	2004 A/B Single Family	4.49	10/26/04	10/01/24	173,059.97	184,024.22			(931.76)		172,128.21	185,153.02	2,060.56	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/24	164,819.10	177,170.56			(819.63)		163,999.47	176,749.95	399.02	0.00
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/24	321,146.96	341,485.00			(4,480.33)		316,666.63	341,086.00	4,073.33	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/24	296,827.32	275,097.45			(1,293.81)		295,533.51	276,205.69	2,403.05	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	143,880.70	152,620.89			(776.33)		143,084.37	153,932.78	2,088.22	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	168,863.06	181,526.13			(830.95)		168,032.11	180,261.45	(433.73)	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	208,096.10	223,054.19			(1,473.41)		206,622.69	222,702.43	1,121.85	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	320,314.63	339,830.64			(2,047.29)		318,267.34	342,443.95	4,680.60	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	151,293.50	160,514.67			(788.17)		150,505.33	161,828.13	2,101.63	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	273,627.73	293,307.47			(1,836.88)		271,790.87	291,588.74	118.13	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	142,084.88	150,746.31			(893.42)		141,191.46	152,081.56	2,228.67	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	70,298.49	76,134.94			(329.19)		69,969.30	75,637.70	(168.05)	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	257,956.43	276,519.33			(1,202.50)		256,753.93	274,178.15	(1,138.68)	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	228,394.20	242,327.23			(1,592.85)		226,801.35	243,974.68	3,240.30	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	216,054.93	231,605.10			(2,021.64)		214,033			

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	383,220.66	406,613.88			(1,965.39)		381,255.27	409,851.97	5,203.48	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	889,816.46	953,890.04			(4,587.87)		885,228.59	948,124.94	(1,177.23)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	190,956.91	204,708.71			(3,374.85)		187,582.06	201,263.55	(70.31)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	118,820.73	125,252.08			(566.95)		118,253.78	124,782.17	97.04	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	326,350.14	349,854.07			(1,548.61)		324,801.53	350,123.50	1,818.04	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	262,710.90	302,539.79			(1,718.01)		280,992.89	302,900.99	2,079.21	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	322,837.99	345,483.05			(113,020.64)		209,817.35	224,696.34	(7,766.07)	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	808,405.50	865,111.84			(3,826.58)		804,578.92	863,277.28	1,992.02	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	361,645.15	387,687.66			(1,679.99)		359,965.16	385,552.65	(465.02)	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	513,040.47	549,033.65			(2,916.02)		510,124.45	546,387.93	270.30	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	313,865.44	335,885.86			(1,411.03)		312,454.41	335,253.68	778.85	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	378,779.04	405,354.94			(2,467.27)		376,311.77	405,071.54	2,183.87	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	206,910.47	221,428.84			(925.81)		205,984.66	221,016.79	513.76	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	293,059.19	313,623.96			(1,336.73)		291,722.46	314,020.30	1,733.07	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	290,485.76	305,626.13			(1,554.94)		288,930.82	306,264.62	2,193.43	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	268,915.85	287,787.87			(1,405.07)		267,510.78	287,959.74	1,576.94	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	232,080.02	248,368.21			(1,989.81)		230,090.41	247,678.69	1,301.29	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	315,276.46	337,410.11			(1,429.14)		313,847.32	337,846.11	1,865.14	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	177,839.33	190,327.73			(900.58)		176,938.75	190,472.08	1,044.86	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	73,621.98	77,981.97			(352.16)		73,269.82	78,602.04	972.23	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	183,030.24	195,886.37			(879.40)		182,150.84	195,456.80	449.83	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/35	397,064.64	424,960.18			(2,840.62)		394,224.02	423,027.68	906.12	0.00
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	112,996.04	120,936.70			(488.08)		112,507.96	121,118.95	670.33	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	249,217.80	266,734.76			(1,600.64)		247,617.16	266,960.33	1,826.21	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	461,542.26	493,994.43			(1,371.75)		459,570.51	490,867.97	(1,154.71)	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	139,930.52	146,834.79			(1,184.46)		138,746.06	146,063.48	413.15	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	68,494.26	74,466.97			(607.51)		67,886.75	73,404.13	(455.33)	0.00
FNMA	2004 A/B Single Family	4.49	05/22/07	04/01/37	118,749.14	125,570.61			(531.81)		118,217.33	126,699.71	1,660.91	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	07/01/36	80,914.09	86,267.66			(367.21)		80,546.88	85,575.81	(324.64)	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37	185,786.96	198,421.10			(844.18)		184,942.78	196,402.21	1,825.29	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	691,425.85	731,175.21			(176,800.95)		514,624.90	552,033.15	(2,341.11)	0.00
2004 A/B Single Family Total					119,221,364.25	128,122,032.88	1,461,323.73	(4,321,048.92)	(2,251,558.02)	0.00	114,110,081.04	122,689,986.96	(320,762.69)	0.00
Repo Agmt	2004 CDEF Single Family	0.20	11/30/10	12/01/10	0.02	0.02	0.00				0.02	0.02	-	0.00
Repo Agmt	2004 CDEF Single Family	0.20	11/30/10	12/01/10	1,958,930.02	1,958,930.02		(1,958,927.99)			2.03	2.03	-	0.00
Repo Agmt	2004 CDEF Single Family	0.20	11/30/10	12/01/10	485.33	485.33	0.13				485.46	485.46	-	0.00
GIC's	2004 CDEF Single Family	3.60	12/16/04	03/01/36	341,512.82	341,512.82	859,590.98				1,201,103.80	1,201,103.80	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	22,368.43	24,015.26			(131.72)		22,236.71	23,815.63	(67.91)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	9,380.00	10,070.81			(48.11)		9,331.89	9,984.74	(27.96)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	29,344.67	31,507.77			(147.19)		29,197.48	31,273.32	(87.26)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	18,043.77	19,373.84			(91.42)		17,952.35	19,228.70	(53.72)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	106,550.39	114,401.08			(561.14)		105,989.25	113,521.23	(318.71)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	30,121.66	32,341.24			(156.11)		29,965.55	32,095.18	(89.95)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	18,457.77	19,818.24			(98.31)		18,359.46	19,664.63	(55.30)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	20,214.65	21,705.75			(107.66)		20,106.99	21,537.52	(60.57)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	28,520.43	30,740.75			(3,188.22)		25,332.21	27,226.98	(315.55)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	5,287.45	5,698.85			(34.16)		5,253.29	5,648.22	(16.47)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	32,147.78	34,649.28			(225.93)		31,921.85	34,321.86	(101.49)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	25,755.91	27,655.11			(138.62)		25,617.29	27,439.20	(77.29)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	14,911.37	16,011.01			(79.69)		14,831.68	15,886.62	(44.70)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	22,453.01	24,200.52			(118.52)		22,334.49	24,014.09	(67.91)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	28,117.01	28,150.43			(3,039.82)		23,077.19	24,813.27	(267.34)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	38,275.91	41,100.05			(201.95)		38,073.96	40,783.50	(114.60)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	29,045.31	31,143.29			(233.44)		28,811.87	30,771.90	(137.95)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	30,753.62	33,101.29			(150.37)		30,603.25	32,809.90	(141.02)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	21,651.01	23,216.29			(122.00)		21,529.01	22,894.98	(99.31)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	28,836.62	31,028.46			(147.52)		28,789.10	30,749.28	(131.68)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	15,733.46	16,870.11			(104.30)		15,629.16	16,682.57	(73.24)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	22,544.65	24,173.50			(2,375.14)		20,168.51	21,541.97	(256.38)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	48,135.80	51,614.24			(243.60)		47,892.20	51,151.78	(218.86)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	21,825.13	23,402.46			(111.46)		21,713.67	23,191.70	(69.30)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	34,175.17	36,645.26			(190.38)		33,984.79	36,289.27	(156.61)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	34,461.44	36,952.47			(3,609.07)		30,852.37	32,952.84	(390.56)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	19,159.31	19,473.50			(92.75)		19,066.56	19,298.09	(62.66)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,138.31	8,760.89			(55.45)		8,082.86	8,666.78	(38.46)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	18,465.84	19,802.38			(97.60)		18,368.24	19,620.49	(84.29)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	7,304.24	7,862.87			(49.64)		7,254.60	7,778.71	(34.52)	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	13,108.82	14,110.43			(67.85)		13,040.97	13,962.19	(60.39)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	29,374.09	31,498.24			(150.42)		29,223.67	31,214.13	(133.69)	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	23,829.65	25,553.09			(119.31)		23,710.34	25,325.49	(108.29)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	27,836.70	29,850.07			(174.21)		27,662.49	29,546.87	(128.89)	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	20,886.50	22,375.90			(192.38)		20,674.12	22,082.69	(100.83)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	25,941.12	27,817.91			(148.07)		25,793.05	27,550.72	(119.12)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	13,024.67	13,967.07			(82.52)		12,932.15	13,813.50	(61.05)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	23,057.61	24,820.70			(126.71)		22,930.90	24,587.20	(106.79)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	20,900.83	22,413.80			(110.97)		20,789.86	22,207.42	(85.41)	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	22,723.86	24,462.26			(649.71)		22,074.15	23,669.40	(143.15)	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	30,846.08	33,079.51			(161.25)		30,684.83	32,777.61	(140.65)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	17,856.71	19,222.95			(86.16)		17,770.55	19,054.94	(81.85)	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	33,868.73	36,460.47			(199.81)		33,668.92	36,102.83	(157.83)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	16,805.31	17,876.24			(80.79)		16,524.52	17,719.30	(76.15)	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	25,051.97	26,969.49			(133.26)		24,918.71	26,720.50	(115.73)	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	34,654.64	37,165.17			(2,584.12)		32,070.52	34,259.04	(322.01)	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	25,073.77	26,993.40			(119.77)		24,954.00	26,758.77	(114.86)	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	12,762.46	13,739.69			(60.79)		12,701.67	13,620.48	(58.42)	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	29,899.37	32,186.97			(173.96)		29,725.41	31,875.82	(139.19)	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	17,000.90	18,233.10			(88.39)		16,912.51	18,067.19	(77.52)	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	11,168.41	12,023.77			(65.02)		11,103.39	11,906.75	(52.00)	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	15,141.16	16,301.02			(72.18)		15,068.98	16,159.48	(69.36)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	9,501.31	10,229.21			(58.70)		9,444.61	10,128.17	(44.34)	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	6,706.40	7,220.29			(31.02)		6,675.38	7,158.63	(30.64)	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	18,049.73	19,433.28			(90.27)		17,959.46	19,260.04	(82.97)	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	15,882.04	17,099.90			(75.43)		15,806.61	16,851.74	(72.73)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,568.15	4,918.47			(21.34)		4,546.81	4,876.24	(20.89)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,247.27	5,849.81			(24.43)		5,222.79	5,601.34	(23.99)	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	2,383.80	2,566.75			(10.86)		2,372.94	2,545.00	(10.89)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,723.07	2,933.49			(12.34)		2,710.73	2,908.72	(12.43)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,592.03	7,094.05			(29.88)		6,562.15	7,021.16	(43.01)	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	4,790.17	5,154.99			(22.06)		4,768.11	5,101.87	(31.26)	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	3,289.19	3,539.78			(14.92)		3,274.27	3,503.41	(21.45)	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	5,922.18	6,373.63			(26.33)		5,895.85	6,308.70	(38.60)	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,680.42	6,113.33			(25.68)		5,654.74	6,050.60	(37.05)	0.00
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	5,425.28	5,816.60			(24.06)		5,401.22	5,757.57	(34.97)	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	6,835.00	7,356.32			(30.35)		6,804.65	7,281.43	(44.54)	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	2,502.67	2,693.66			(10.83)		2,491.74	2,686.42	(16.31)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37	5,022.04	5,408.53			(21.54)		5,000.50	5,354.24	(32.75)	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37	2,413.87	2,599.43			(18.41)		2,395.46	2,564.73	(16.29)	0.00
GNMA	2004 CDEF Single Family	4.49	12/11/07	09/20/37	2,932.66	3,158.40			(12.65)		2,920.01	3,126.62	(19.13)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	4,321.17	4,651.70			(18.18)		4,302.99	4,604.57	(28.95)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	2,584.49	2,750.00			(10.76)		2,553.73	2,722.20	(17.04)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	03/20/38	7,807.82	8,405.61			(32.73)		7,775.09	8,320.55	(52.33)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	3,317.86	3,521.04			(16.95)		3,300.91	3,547.72	(43.62)	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	2,396.10	2,542.88			(1,284.50)		1,111.60	1,197.43	(60.95)	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	4,070.47	4,319.82			(28.67)		4,041.80	4,345.85	(54.70)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,145.69	7,583.52			(40.09)		7,105.60	7,643.27	(99.84)	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	3,851.36	4,079.99			(31.68)		3,819.68	4,121.48	(73.17)	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,066.30	5,367.04			(25.51)		5,040.79	5,417.96	(76.43)	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	7,808.77	8,273.52			(65.02)		7,754.75	8,348.13	(129.63)	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,538.54	5,967.47			(26.77)		5,511.77	5,916.14	(75.44)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	7,799.23	8,262.49			(38.67)		7,760.56	8,336.61	(112.79)	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	6,039.20	6,397.92			(45.50)		5,993.70	6,445.63	(93.21)	0.00
FNMA	2004 CDEF Single Family	4.49	06/09/06	04/01/36	2,840.86	3,009.66			(14.16)		2,826.70	3,037.17	(41.67)	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	3,476.68	3,683.32			(16.65)		3,460.03	3,712.57	(45.90)	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,280.25	7,723.53			(37.16)		7,253.09	7,785.55	(96.18)	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	6,589.25	6,949.14			(33.65)		6,525.60	7,003.31	(87.62)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	7,414.43	7,855.17			(36.13)		7,378.30	7,915.34	(96.30)	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	2,589.79	2,754.35			(12.29)		2,587.50	2,775.35	(33.29)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	5,818.81	6,164.83			(27.80)		5,791.01	6,213.87	(76.84)	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	4,298.75	4,554.42			(40.82)		4,257.93	4,585.39	(71.79)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	7,485.90	7,931.29			(48.20)		7,437.70	8,011.59	(128.50)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	5,529.58	5,858.59			(64.73)		5,464.85	5,894.94	(91.08)	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	6,434.19	6,817.05			(91.63)		6,402.36	6,878.27	(93.05)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	1,101.48	1,167.05			(8.29)		1,092.17	1,175.99	(18.23)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,216.30	1,286.45			(5.54)		1,210.76	1,288.18	(17.27)	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,409.43	3,606.10			(15.80)		3,393.63	3,639.52	(49.22)	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,599.21	4,864.59			(26.67)		4,572.34	4,903.39	(65.67)	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	7,815.31	8,296.42			(35.15)		7,780.16	8,341.17	(109.90)	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,739.68	5,013.30			(21.22)		4,718.46	5,058.38	(66.30)	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,573.21	5,894.98			(24.30)		5,548.31	5,948.04	(77.96)	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	06/01/37	11,269.32	11,920.15			(50.67)		11,218.65	12,027.08	(157.60)	0.00
FNMA	2004 CDEF Single Family	4.49	09/25/07	09/01/37	7,589.35	8,074.78			(33.14)		7,556.21	8,146.22	(104.58)	0.00
FNMA	2004 CDEF Single Family	4.49	11/09/07	09/01/37	7,434.06	7,938.65			(40.91)		7,393.15	7,961.58	(63.84)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/07	09/01/37	3,060.15	3,267.93			(13.18)		3,046.97	3,280.69	(25.94)	0.00
FNMA	2004 CDEF Single Family	4.49	12/11/07	11/01/37	6,819.93	7,283.16			(29.68)		6,790.25	7,311.42	(57.94)	0.00
FNMA	2004 CDEF Single Family	4.49	03/26/08	02/01/38	12,744.41	13,592.39			(2,265.79)		10,478.62	11,283.93	(42.67)	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	132,650.09	146,165.47			(22,267.64)		110,382.45	123,415.37	(462.46)	0.00
FNMA	2004 CDEF Single Family	6.90	03/17/94	08/01/24	141,571.14	159,828.33			(1,958.09)		139,613.05	158,689.51	(819.27)	0.00
FNMA	2004 CDEF Single Family	6.97	03/17/94	07/01/24	282,600.93	319,469.51			(4,076.28)		278,524.65	317,002.36	(1,609.13)	0.00
FNMA	2004 CDEF Single Family	7.06	03/17/94	07/01/24	43,185.75	48,596.37			(463.87)		42,721.88	48,532.92	(400.42)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	61,269.05	69,422.81			(841.00)		60,628.05	69,162.05	(380.24)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	18,822.31	21,358.24			(644.81)		18,177.50	20,810.02	(96.59)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,089,786.22	1,209,968.08			(15,696.75)		1,074,119.47	1,213,860.89	(19,559.56)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	752,182.55	850,586.66			(11,224.91)		740,957.64	837,482.88	(1,888.87)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	469,248.92	531,323.16			(6,543.32)		462,705.60	523,647.18	(1,132.66)	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	107,356.64	121,412.69			(3,476.09)		103,880.55	118,548.05	611.45	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	214,817.95	238,650.89			(2,751.53)		212,066.42	239,797.25	3,897.89	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	391,153.44	443,165.66			(4,961.12)		386,192.32	437,317.80	(886.74)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	114,112.24	129,226.89			(1,222.17)		112,890.07	127,793.33	(221.39)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	60,339.76	66,249.65			(1,599.56)		58,740.20	67,043.54	393.45	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	30,088.36	34,053.93			(279.58)		29,808.80	34,045.13	270.78	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	30,118.09	34,051.73			(278.66)		29,839.43	34,044.63	271.56	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	42,733.31	48,382.46			(433.95)		42,299.36	48,337.42	378.91	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	1,657,895.65	1,779,641.85			(9,639.63)		1,648,256.02	1,764,982.05	(5,020.17)	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	4,469,418.67	4,796,689.48			(25,575.00)		4,442,843.67	4,757,586.88	(13,507.60)	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,670,095.15	1,792,791.51			(139,430.44)		1,530,664.71	1,639,111.12	(14,249.95)	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	240,633.68	259,293.38			(1,262.56)		239,371.12	257,303.86	(726.96)	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	1,715,550.24	1,841,619.50			(9,339.17)		1,706,211.07	1,827,128.02	(5,152.31)	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	761,226.66	817,171.27			(3,986.54)		757,240.12	810,909.67	(2,275.06)	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	148,093.67	159,582.46			(755.06)		147,338.61	158,381.60	(445.80)	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,352,586.75	1,452,009.56			(8,341.14)		1,344,245.61	1,439,536.69	(4,131.73)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	474,515.79	509,401.05			(2,523.77)		471,992.02	505,456.77	(1,420.51)	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	212,266.04	228,738.47			(1,080.98)		211,185.06	227,018.82	(636.67)	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	174,785.38	188,350.54			(1,144.46)		173,640.92	186,660.91	(545.17)	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	834,655.26	899,486.74			(4,273.63)		830,381.62	892,699.59	(2,513.52)	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	778,064.40	835,281.90			(4,192.74)		773,871.66	828,755.13	(2,334.03)	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	892,043.07	957,652.98			(4,615.95)		887,427.12	950,375.48	(2,621.55)	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	398,664.08	429,656.16			(2,160.44)		396,503.64	426,286.01	(1,209.71)	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	203,201.54	218,999.72			(1,101.02)		202,100.52	217,282.10	(616.60)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	386,126.36	414,573.72			(1,943.49)		384,182.87	411,481.68	(1,148.55)	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	307,088.33	329,690.71			(1,556.56)		305,531.77	327,220.09	(1,914.05)	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	795,007.62	856,769.85			(4,978.16)		790,029.46	848,328.37	(2,462.32)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	464,707.14	500,812.66			(2,698.25)		462,008.79	496,690.37	(1,423.94)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	2,860,325.48	2,856,183.07			(14,994.70)		2,645,330.78	2,833,162.24	(8,026.13)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	807,209.65	866,643.03			(4,317.59)		802,892.06	859,906.57	(2,418.87)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	301,648.94	323,858.80			(1,526.22)		300,122.72	321,434.85	(897.73)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	553,816.49	594,603.19			(3,458.94)		550,357.55	589,448.73	(1,695.52)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	763,964.22	820,278.10			(3,783.08)		760,181.14	814,226.77	(2,268.25)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	320,284.77	343,893.84			(1,615.39)		318,668.38	341,325.42	(953.03)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	365,124.65	393,516.53			(2,484.24)		362,640.31	389,886.21	(1,145.98)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	381,701.81	411,387.71			(1,920.54)		379,780.87	408,319.11	(1,147.66)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	881,613.69	950,190.49			(6,320.21)		876,293.48	942,153.07	(2,717.21)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	877,755.68	942,497.42			(4,458.04)		873,297.64	935,425.05	(2,614.33)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	459,631.79	493,539.44			(2,287.86)		457,343.93	489,885.37	(1,366.21)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	607,793.05	652,570.83			(3,083.87)		604,679.18	647,676.49	(1,810.47)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	985,644.55	1,058,311.90			(4,893.56)		980,750.99	1,050,490.92	(2,927.42)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	449,388.96	482,526.32			(2,232.34)		447,156.62	478,988.66	(1,335.32)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	518,390.44	556,618.17			(2,868.38)		515,522.06	552,189.10	(1,560.69)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	629,019.54	675,409.46			(100,371.77)		528,647.77	566,261.80	(6,785.89)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	676,648.73	726,570.29			(3,382.55)		673,266.38	721,175.83	(2,012.31)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	416,101.83	446,803.61			(2,824.69)		413,277.14	442,688.45	(1,280.47)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	298,515.20	320,077.27			(1,530.56)		296,986.64	317,188.13	(1,358.59)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	389,445.16	417,577.70			(2,057.91)		387,387.25	413,743.21	(1,776.59)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	697,189.71	750,453.03			(3,367.89)		693,821.82	743,890.73	(2,194.41)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	416,390.04	448,198.34			(2,236.56)		414,153.05	444,036.85	(1,924.53)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	313,572.00	336,226.02			(1,693.40)		311,878.60	333,069.23	(1,433.29)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	665,883.77	713,994.92			(3,843.34)		662,039.93	707,090.49	(3,060.59)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	720,053.26	772,082.94			(3,954.53)		716,098.45	764,632.23	(3,295.89)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,051,535.27	1,127,529.72			(5,707.85)		1,045,827.42	1,117,014.32	(4,807.55)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	171,505.08	183,901.05			(821.36)		170,683.72	182,302.95	(776.84)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	287,674.46	320,412.06			(1,676.87)		285,997.59	317,353.76	(1,381.43)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	801,922.26	859,860.59			(4,211.16)		797,711.10	852,091.10	(3,656.33)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	144,615.65	156,675.19			(734.39)		143,881.26	154,275.51	(665.29)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	235,479.27	253,487.65			(1,173.95)		234,305.32	251,231.97	(1,081.73)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	308,568.91	332,148.29			(1,481.70)		307,087.11	329,253.36	(1,413.23)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	80,144.72	86,270.16			(364.54)		79,760.18	85,516.90	(367.12)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	186,996.37	203,434.05			(622.46)		186,373.91	201,844.90	(866.69)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	445,103.39	483,439.48			(2,214.89)		446,898.50	479,163.36	(2,061.23)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	562,472.85	605,481.58			(2,690.31)		559,782.64	600,215.09	(2,576.18)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	395,443.99	400,677.27			(1,360.43)		394,083.56	399,314.84	(493.53)	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	610,443.20	654,635.25			(2,897.44)		607,545.76	648,974.56	(2,763.25)	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	185,128.91	199,289.40			(896.84)		184,230.07	197,543.78	(848.78)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	104,223.03	112,197.50			(496.90)		103,726.13	111,223.32	(477.28)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	105,672.82	113,760.39			(495.77)		105,177.05	112,781.27	(483.35)	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	271,217.07	291,976.20			(1,622.09)		269,594.98	289,088.25	(1,265.85)	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	364,573.93	392,480.64			(1,761.59)		362,812.34	389,048.12	(1,670.	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	660,053.53	710,616.81			(3,113.19)		656,940.34	704,482.88	(3,020.74)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	102,006.55	109,821.74			(478.18)		101,528.37	108,877.04	(466.52)	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	949,600.59	1,018,481.21			(4,482.86)		945,117.73	1,008,700.34	(4,288.01)	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	845,262.32	910,100.95			(4,314.02)		840,978.30	901,894.27	(3,892.66)	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	397,406.12	427,880.03			(1,877.68)		395,528.44	424,183.11	(1,819.24)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	378,217.48	407,224.50			(1,760.58)		376,456.90	403,734.39	(1,729.53)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	493,942.68	531,828.33			(2,286.34)		491,656.34	527,284.72	(2,287.27)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	529,393.73	570,005.99			(2,431.26)		526,962.47	565,156.20	(2,418.53)	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	513,922.45	553,357.90			(2,341.16)		511,581.29	546,670.19	(2,346.55)	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	382,093.85	411,418.52			(1,749.34)		380,344.51	407,923.88	(1,745.30)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	222,303.73	239,369.54			(1,041.19)		221,262.54	237,311.18	(1,017.17)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	64,103.93	68,976.59			(269.14)		63,834.79	68,278.44	(428.01)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	119,937.91	128,108.40			(510.41)		119,427.50	127,794.54	(803.45)	0.00
GNMA	2004 CDEF Single Family	4.49	02/19/08	02/20/38	163,497.75	175,926.93			(712.06)		162,785.69	174,118.08	(1,095.79)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	12/20/37	315,457.56	338,624.44			(1,379.21)		314,078.35	336,189.33	(2,055.90)	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	158,387.17	168,080.84			(1,831.92)		156,465.25	168,542.15	(2,382.23)	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	194,756.09	206,867.35			(1,363.97)		193,392.12	208,151.45	(2,848.07)	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	46,812.08	49,907.51			(4,334.15)		42,477.93	46,351.04	(777.68)	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	287,453.33	305,061.81			(1,542.00)		285,911.33	307,573.05	(4,063.24)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	146,678.05	155,877.37			(1,197.81)		145,680.14	156,909.64	(2,230.18)	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	105,489.73	111,953.27			(523.82)		104,965.81	112,773.38	(1,344.03)	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	146,804.81	155,801.68			(1,002.16)		145,802.65	156,996.26	(2,196.74)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	240,630.61	254,922.79			(1,257.15)		239,373.46	257,039.75	(3,374.11)	0.00
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36	195,345.16	206,950.53			(1,295.71)		194,049.45	208,661.87	(3,007.05)	0.00
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	122,618.56	129,905.76			(596.25)		122,022.31	131,006.30	(1,696.79)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	84,420.49	89,438.84			(2,908.83)		81,511.66	87,777.85	(1,247.84)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	276,491.74	292,932.99			(2,445.33)		274,046.41	295,039.46	(4,551.80)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	365,560.72	387,303.42			(1,713.94)		363,846.78	390,243.27	(4,653.79)	0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	72,945.12	77,286.60			(412.35)		72,532.77	77,863.44	(989.19)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	65,383.22	69,154.19			(299.43)		65,083.79	69,789.03	(934.27)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/08	01/01/38	454,235.93	482,214.93			(1,978.90)		452,257.03	484,732.45	(4,496.42)	0.00
Repo Agmt	2004 CDEF Single Family				31.90			(31.90)						0.00
GNMA	2004 CDEF Single Family	5.38	08/07/07	07/20/37	4,740.82	5,178.65			(18.53)		4,722.29	5,167.78	7.66	0.00
GNMA	2004 CDEF Single Family	5.63	08/07/07	08/20/37	19,075.92	20,906.64			(79.10)		18,996.82	20,975.11	147.57	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37	1,407.54	1,542.79			(6.65)		1,400.89	1,546.93	10.79	0.00
GNMA	2004 CDEF Single Family	5.38	11/21/07	10/20/37	9,928.67	10,846.98			(2,611.07)		7,317.60	8,008.91	(227.00)	0.00
GNMA	2004 CDEF Single Family	5.38	09/25/07	08/20/37	23,448.43	25,615.71			(3,748.83)		19,699.50	21,559.32	(307.46)	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37	20,446.03	22,239.69			(86.31)		20,359.72	22,190.48	37.10	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	08/20/37	6,060.14	6,642.05			(22.83)		6,037.21	6,686.23	47.11	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	09/20/37	2,700.43	2,959.73			(15.17)		2,685.26	2,965.03	20.47	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37	22,170.80	24,220.32			(86.50)		22,084.30	24,169.62	35.80	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37	2,039.07	2,234.87			(7.36)		2,031.71	2,243.40	15.89	0.00
GNMA	2004 CDEF Single Family	5.13	10/09/07	09/20/37	5,850.77	6,364.13			(23.49)		5,827.28	6,351.38	10.74	0.00
GNMA	2004 CDEF Single Family	5.38	08/23/07	08/20/37	13,197.81	14,417.13			(63.16)		13,134.65	14,374.17	20.20	0.00
GNMA	2004 CDEF Single Family	5.13	08/23/07	07/20/37	17,341.44	18,861.94			(73.14)		17,268.30	18,820.26	31.46	0.00
GNMA	2004 CDEF Single Family	5.38	09/11/07	09/20/37	9,307.89	10,168.05			(2,541.40)		6,766.49	7,405.21	(221.44)	0.00
GNMA	2004 CDEF Single Family	5.63	09/11/07	08/20/37	11,264.84	12,346.36			(41.82)		11,223.02	12,392.20	87.66	0.00
GNMA	2004 CDEF Single Family	5.13	09/11/07	08/20/37	9,281.49	10,056.39			(36.89)		9,244.60	10,036.90	17.20	0.00
GNMA	2004 CDEF Single Family	5.38	11/28/07	11/20/37	8,792.97	9,606.37			(47.94)		8,745.03	9,571.33	12.90	0.00
GNMA	2004 CDEF Single Family	5.13	12/11/07	11/20/37	5,828.26	6,329.15			(22.42)		5,805.84	6,317.60	10.87	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	9,489.42	10,366.87			(35.17)		9,454.25	10,347.21	15.51	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37	22,205.83	24,112.90			(96.25)		22,109.58	24,057.16	40.51	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	08/20/36	3,509.36	3,853.68			(14.65)		3,494.71	3,867.54	28.51	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	14,689.46	16,058.64			(70.42)		14,629.04	16,010.72	22.50	0.00
GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37	12,396.54	13,542.95			(45.88)		12,350.65	13,517.32	20.26	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37	8,784.15	9,784.15			(30.88)		8,044.36	8,788.14	14.97	0.00
GNMA	2004 CDEF Single Family	5.63	01/16/08	12/20/37	1,354.49	1,484.74			(6.97)		1,347.52	1,488.10	10.33	0.00
GNMA	2004 CDEF Single Family	5.38	12/28/07	11/20/37	5,774.22	6,308.53			(21.10)		5,753.12	6,296.88	9.45	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	1,422.33	1,559.06			(5.05)		1,417.28	1,585.11	11.10	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	12,792.00	13,956.06			(46.88)		12,695.11	14,008.30	99.13	0.00
GNMA	2004 CDEF Single Family	5.38	12/11/07	11/20/37	18,486.56	20,177.23			(68.26)		18,400.30	20,139.15	30.18	0.00
GNMA	2004 CDEF Single Family	5.38	12/20/07	11/20/37	1,612.00	1,761.20			(6.51)		1,605.49	1,757.28	2.59	0.00
GNMA	2004 CDEF Single Family	5.13	12/20/07	12/20/37	1,627.40	1,770.31			(6.16)		1,621.24	1,767.17	3.02	0.00
GNMA	2004 CDEF Single Family	5.38	01/16/08	12/20/37	988.67	1,091.13			(9.57)		989.10	1,062.63	1.07	0.00
GNMA	2004 CDEF Single Family	5.38	01/30/08	12/20/37	1,907.26	2,083.86			(6.96)		1,900.30	2,080.05	3.13	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	12/20/37	6,400.82	7,016.46			(22.62)		6,378.20	7,043.78	49.94	0.00
GNMA	2004 CDEF Single Family	5.38	02/13/08	12/20/37	3,203.91	3,500.51			(13.33)		3,190.58	3,482.26	5.10	0.00
GNMA	2004 CDEF Single Family	5.62	01/30/08	01/20/38	1,412.23	1,545.97			(4.88)		1,407.35	1,552.21	11.12	0.00
GNMA	2004 CDEF Single Family	5.63	02/13/08	01/20/38	4,069.19	4,454.57			(14.37)		4,054.82	4,472.21	32.01	0.00
GNMA	2004 CDEF Single Family	5.38	02/19/08	12/20/37	2,849.40	3,113.25			(22.31)		2,827.09	3,084.48	3.54	0.00
GNMA	2004 CDEF Single Family	5.63	02/19/08	01/20/38	4,631.38	5,070.04			(16.06)		4,615.32	5,090.44	36.46	0.00
GNMA	2004 CDEF Single Family	5.13	02/27/08	02/20/38	3,795.57	4,052.07			(14.27)		3,721.30	4,044.10	6.30	0.00
GNMA	2004 CDEF Single Family	5.38	02/27/08	02/20/38	5,870.39	6,397.00			(3,268.93)		2,601.46	2,840.88	(287.19)	0.00
GNMA	2004 CDEF Single Family	5.38	03/20/08	02/20/38	5,878.04	6,417.33			(21.46)		5,856.58	6,407.46	11.59	0.00
GNMA	2004 CDEF Single Family	5.13	03/20/08	10/20/37	2,162.90	2,353.06			(8.28)		2,154.62	2,348.78	4.00	0.00
GNMA	2004 CDEF Single Family	5.38	03/27/08	03/20/38	4,373.23	4,774.52			(15.92)		4,357.31	4,767.23	8.63	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2004 CDEF Single Family	5.63	07/03/07	07/01/37	4,702.78	5,085.53			(17.51)		4,703.27	5,162.73	54.71	0.00
FNMA	2004 CDEF Single Family	5.38	08/07/07	07/01/37	34,522.70	37,228.14			(177.10)		34,345.60	37,701.14	650.10	0.00
FNMA	2004 CDEF Single Family	5.63	08/07/07	07/01/37	5,925.79	6,412.59			(26.19)		5,899.60	6,517.77	131.37	0.00
FNMA	2004 CDEF Single Family	5.13	08/07/07	09/01/37	26,796.37	28,790.77			(113.04)		26,673.33	28,056.30	378.57	0.00
FNMA	2004 CDEF Single Family	5.13	08/29/07	08/01/37	8,423.51	9,053.98			(34.03)		8,389.48	9,139.57	119.62	0.00
FNMA	2004 CDEF Single Family	5.38	08/23/07	07/01/37	13,311.23	14,354.61			(93.55)		13,217.68	14,511.25	250.19	0.00
FNMA	2004 CDEF Single Family	5.38	09/11/07	08/01/37	14,361.99	15,488.02			(2,807.46)		11,454.53	12,565.61	(14.95)	0.00
FNMA	2004 CDEF Single Family	5.13	09/11/07	08/01/37	3,528.01	3,793.21			(21.32)		3,507.69	3,825.01	53.12	0.00
FNMA	2004 CDEF Single Family	5.63	09/11/07	08/01/37	4,505.15	4,875.42			(16.69)		4,488.46	4,949.84	91.11	0.00
FNMA	2004 CDEF Single Family	5.38	09/25/07	09/01/37	35,894.09	38,708.78			(4,705.20)		31,188.89	34,218.08	214.50	0.00
FNMA	2004 CDEF Single Family	5.63	09/25/07	07/01/37	3,572.90	3,866.57			(2,136.51)		1,436.39	1,585.89	(144.17)	0.00
FNMA	2004 CDEF Single Family	5.13	09/25/07	09/01/37	16,441.39	17,673.13			(72.49)		16,368.90	17,834.39	233.75	0.00
FNMA	2004 CDEF Single Family	5.38	10/09/07	08/01/37	3,778.57	4,095.57			(17.67)		3,760.90	4,125.79	47.89	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37	9,635.94	10,407.05			(37.70)		9,598.24	10,454.66	85.31	0.00
FNMA	2004 CDEF Single Family	5.63	10/09/07	09/01/37	4,159.20	4,518.35			(15.20)		4,144.00	4,569.85	65.80	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37	31,707.21	34,367.99			(1,621.02)		30,086.19	33,002.87	255.90	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37	14,966.13	15,840.02			(69.84)		14,896.29	15,931.16	160.98	0.00
FNMA	2004 CDEF Single Family	5.38	11/08/07	09/01/37	13,582.25	14,722.19			(72.70)		13,509.55	14,834.90	185.41	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37	5,905.96	6,378.76			(30.75)		5,875.21	6,418.18	70.17	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37	8,797.76	9,536.25			(39.15)		8,758.61	9,604.28	107.18	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37	7,865.93	8,495.72			(31.53)		7,834.40	8,535.50	71.31	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	11/01/37	11,461.68	12,423.83			(44.73)		11,416.95	12,519.34	140.24	0.00
FNMA	2004 CDEF Single Family	5.38	12/1/07	10/01/37	17,870.15	19,370.50			(68.24)		17,801.91	19,524.66	222.40	0.00
FNMA	2004 CDEF Single Family	5.13	12/1/07	11/01/37	5,477.00	5,915.63			(22.71)		5,454.29	5,941.17	48.25	0.00
FNMA	2004 CDEF Single Family	5.38	12/1/07	11/01/37	6,242.57	6,766.72			(24.98)		6,217.59	6,823.90	82.16	0.00
FNMA	2004 CDEF Single Family	5.13	12/1/07	12/01/37	7,918.94	8,553.14			(40.06)		7,878.88	8,588.59	75.51	0.00
FNMA	2004 CDEF Single Family	5.13	12/20/07	11/01/37	4,624.54	4,994.97			(19.03)		4,605.51	5,018.59	42.65	0.00
FNMA	2004 CDEF Single Family	5.38	12/20/07	10/01/37	1,563.11	1,694.37			(7.05)		1,556.06	1,712.06	24.74	0.00
FNMA	2004 CDEF Single Family	5.63	12/28/07	10/01/37	22,911.07	24,891.22			(92.53)		22,818.54	25,166.45	367.76	0.00
FNMA	2004 CDEF Single Family	5.13	01/16/08	12/01/37	6,747.96	7,288.61			(25.92)		6,722.04	7,322.15	59.46	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	3,698.60	3,994.98			(20.62)		3,677.98	4,008.93	34.57	0.00
FNMA	2004 CDEF Single Family	5.38	01/30/08	11/01/37	1,389.34	1,506.06			(5.08)		1,384.26	1,517.92	16.94	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	1,806.45	1,951.22			(9.26)		1,797.19	1,964.96	23.00	0.00
FNMA	2004 CDEF Single Family	5.13	02/13/08	01/01/38	2,261.88	2,440.28			(6.55)		2,255.33	2,454.48	22.76	0.00
FNMA	2004 CDEF Single Family	5.38	02/13/08	01/01/38	6,191.55	6,709.40			(2,865.04)		3,326.51	3,647.76	(196.60)	0.00
FNMA	2004 CDEF Single Family	5.63	02/19/08	04/01/37	3,277.65	3,561.03			(16.92)		3,260.73	3,605.55	62.44	0.00
FNMA	2004 CDEF Single Family	5.38	02/19/08	12/01/37	4,491.72	4,869.15			(31.45)		4,460.27	4,896.98	61.28	0.00
FNMA	2004 CDEF Single Family	5.13	02/19/08	01/01/38	4,939.83	5,329.49			(30.82)		4,908.91	5,349.45	50.88	0.00
FNMA	2004 CDEF Single Family	5.13	02/27/08	02/01/38	1,509.86	1,626.87			(5.67)		1,504.19	1,638.45	15.15	0.00
FNMA	2004 CDEF Single Family	5.38	03/20/08	11/01/37	5,502.42	5,964.93			(28.66)		5,473.76	6,007.42	71.15	0.00
<b>2004 CDEF Single Family Total</b>					<b>58,917,649.97</b>	<b>63,296,801.55</b>	<b>859,591.11</b>	<b>(1,958,959.89)</b>	<b>(640,495.61)</b>	<b>0.00</b>	<b>57,177,785.58</b>	<b>61,435,063.25</b>	<b>(121,873.91)</b>	<b>0.00</b>
Repo Agmt	2005 BCD Single Family	0.20	11/30/10	12/01/10	2,657.58	2,657.58			(2,657.01)		0.57	0.57	-	0.00
Repo Agmt	2005 BCD Single Family	0.20	11/30/10	12/01/10	374,585.13	374,585.13			(206,432.93)		168,152.20	168,152.20	-	0.00
Repo Agmt	2005 BCD Single Family	0.20	11/30/10	12/01/10	1,065,884.64	1,065,884.64			(523,828.22)		542,056.42	542,056.42	-	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	10,735.47	11,695.80			(47.75)		10,687.72	11,663.07	15.02	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	3,932.24	4,297.71			(15.87)		3,916.37	4,288.93	7.09	0.00
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,016.30	5,503.61			(22.41)		4,993.89	5,521.80	40.60	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	12,254.67	13,393.79			(78.11)		12,176.56	13,335.05	19.37	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	19,930.85	21,676.43			(92.12)		19,838.73	21,612.67	28.36	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	35,550.44	38,855.49			(146.39)		35,404.05	38,772.90	63.80	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	16,182.84	17,730.90			(96.66)		16,086.18	17,763.18	128.94	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	35,048.88	38,185.48			(158.78)		34,890.10	38,075.47	48.77	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	21,199.55	21,199.97			(92.50)		21,107.05	21,141.11	33.64	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	23,176.94	25,226.78			(2,744.71)		20,432.23	22,276.39	(205.68)	0.00
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	4,488.33	4,924.49			(157.56)		4,330.77	4,788.73	21.80	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	34,116.31	37,288.71			(152.32)		33,963.99	37,196.49	60.10	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	65,327.75	70,982.70			(5,274.16)		60,053.59	65,362.73	(345.81)	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	5,467.40	5,998.78			(21.68)		5,445.72	6,021.66	44.56	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	22,011.31	23,958.36			(111.77)		21,899.54	23,876.44	29.85	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	27,237.75	29,770.68			(117.98)		27,119.77	29,701.05	48.35	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	48,135.43	52,612.36			(2,406.46)		45,728.97	50,082.08	(123.82)	0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	23,354.26	25,589.35			(142.98)		23,211.28	25,632.09	185.72	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	48,421.52	52,613.98			(215.16)		48,206.36	52,469.08	70.26	0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	42,321.90	46,256.59			(3,757.83)		38,564.07	42,235.58	(265.18)	0.00
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	51,411.94	54,111.94			(3,750.85)		47,661.09	47,408.11	(252.98)	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	29,736.14	32,627.34			(126.43)		29,609.71	32,742.36	241.45	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	43,658.57	47,719.93			(191.26)		43,467.31	47,605.94	77.27	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	41,667.97	45,355.14			(177.12)		41,490.85	45,237.59	59.57	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	35,586.30	38,867.21			(143.55)		35,442.75	38,817.84	64.18	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	33,186.65	36,123.61			(150.33)		33,036.32	36,019.89	46.61	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	19,374.55	19,371.51			(67.98)		17,586.57	19,447.66	144.13	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	23,520.51	25,709.02			(95.32)		23,425.19	25,656.05	42.35	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	39,263.87	42,739.33			(5,093.45)		34,170.42	37,257.04	(388.84)	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	36,144.79	41,694.52			(157.96)		37,986.83	41,604.93	88.37	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	6,316.88	6,921.71			(24.41)		6,292.48	6,948.02	51.72	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	23,914.04	26,030.96			(2,434.34)		21,479.70	23,420.08	(176.54)	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	33,127.87	36,211.05			(152.49)		32,975.48	36,116.52	57.96	0.00
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,667.58	6,218.88			(21.77)		5,645.81	6,243.39	46.28	0.00
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	6,031.13	6,565.04			(24.81)		6,006.32	6,548.92	8.69	0.00
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36	24,424.13	26,699.98			(141.41)		24,282.72	26,588.49	39.92	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	17,566.51	19,275.47			(67.13)		17,499.38	19,351.78	143.44	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	37,720.34	41,060.23			(5,582.73)		32,137.61	35,041.47	(436.03)	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	56,731.18	62,012.81			(233.54)		56,497.64	61,881.08	101.81	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	11,110.76	12,175.00			(52.86)		11,057.90	12,212.07	88.93	0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	34,588.81	37,662.79			(2,848.48)		31,750.13	34,619.63	(194.68)	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	33,499.44	36,618.66			(1,910.04)		31,589.40	34,589.86	(108.76)	0.00
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36	14,893.56	16,320.40			(1,449.47)		13,444.09	14,847.56	(23.37)	0.00
GNMA	2005 BCD Single Family	5.13	01/08/07	01/20/37	21,765.74	23,857.95			(82.24)		21,673.50	23,605.32	39.61	0.00
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36	19,342.39	21,143.53			(106.27)		19,236.12	21,069.43	32.17	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	15,835.67	17,343.77			(61.49)		15,774.18	17,405.26	122.98	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	43,959.81	47,782.15			(2,668.87)		41,290.74	44,971.94	(141.34)	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	27,060.08	28,540.23			(2,127.87)		24,932.21	27,266.82	(145.54)	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	8,133.24	7,425.92			(28.45)		7,397.47	8,162.49	57.70	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	26,358.79	30,956.39			(139.43)		26,219.36	30,862.21	43.25	0.00
GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37	25,848.14	28,096.14			(4,073.33)		21,774.81	23,716.42	(306.36)	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	4,160.76	4,587.11			(15.52)		4,145.24	4,573.96	32.37	0.00
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	11,954.86	12,854.57			(53.80)		11,901.06	13,027.22	226.45	0.00
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	7,342.96	7,879.42			(36.08)		7,306.88	7,952.76	109.42	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	6,569.25	7,063.70			(229.74)		4,271.81	4,689.69	(76.57)	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	9,601.04	10,358.00			(38.78)		9,562.26	10,513.56	194.34	0.00
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	11,870.78	12,738.11			(106.82)		11,763.86	12,800.14	168.95	0.00
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	19,941.92	21,442.99			(85.00)		19,846.92	21,707.10	359.11	0.00
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	7,579.51	8,177.14			(29.79)		7,549.72	8,295.39	148.04	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	19,907.63	21,341.55			(87.41)		19,820.22	21,506.54	252.40	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	11,135.34	11,973.48			(66.38)		11,068.96	12,131.05	223.95	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	5,866.66	6,329.32			(24.06)		5,842.60	6,418.95	113.69	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	12,616.81	13,566.57			(79.04)		12,537.77	13,716.88	229.35	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	10,603.77	11,367.63			(47.87)		10,555.90	11,464.05	144.28	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	10,207.90	10,976.34			(46.01)		10,161.89	11,107.96	177.63	0.00
FNMA	2005 BCD Single Family	5.63	10/05/06	09/01/36	21,604.15	23,230.61			(91.83)		21,512.52	23,512.25	373.27	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	12,639.00	13,635.77			(57.83)		12,581.37	13,831.05	252.91	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	25,386.44	27,215.47			(691.01)		24,695.43	26,851.29	326.83	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	22,434.89	24,124.09			(2,711.58)		19,722.91	21,585.08	182.97	0.00
FNMA	2005 BCD Single Family	5.63	10/24/06	11/01/36	36,245.76	38,974.94			(170.59)		36,075.17	39,468.53	664.18	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	33,411.75	35,927.66			(181.87)		33,229.88	36,350.71	604.92	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	8,584.37	9,261.47			(36.75)		8,547.62	9,395.19	170.47	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	15,907.65	17,053.83			(6,005.94)		9,901.71	10,762.28	(285.61)	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	24,318.39	26,149.72			(107.90)		24,210.49	26,461.52	419.70	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	8,618.87	8,651.43			(34.11)		7,984.76	8,783.88	166.56	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	7,554.78	8,099.21			(32.63)		7,522.15	8,162.40	95.82	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	10,274.05	11,047.76			(1,406.72)		8,667.33	9,667.15	46.11	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	5,288.52	5,684.15			(134.49)		5,134.03	5,641.32	91.66	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	4,707.27	5,046.49			(43.26)		4,664.01	5,072.74	69.51	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	6,180.91	6,646.39			(25.31)		6,155.60	6,726.03	104.95	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	2,346.07	2,515.15			(47.00)		2,299.07	2,495.86	27.71	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,196.35	8,842.95			(1,034.35)		7,162.00	7,878.81	70.21	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	7,377.74	7,933.41			(29.94)		7,347.80	8,027.22	123.75	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	7,974.57	8,603.70			(40.45)		7,934.12	8,726.81	163.56	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	9,228.86	9,894.06			(2,322.09)		6,906.77	7,512.17	(59.80)	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	27,205.51	29,254.78			(2,404.64)		24,800.87	27,111.02	260.85	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	7,162.88	7,728.06			(44.85)		7,118.03	7,830.55	147.34	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	8,093.64	8,677.03			(3,206.09)		4,887.55	5,306.68	(164.26)	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	23,550.05	25,324.14			(141.09)		23,408.96	25,604.44	421.39	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	5,232.38	5,645.23			(24.62)		5,207.76	5,724.30	103.69	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	4,988.82	5,348.26			(20.95)		4,967.87	5,398.33	61.02	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	21,688.76	23,302.38			(88.12)		21,581.64	23,577.76	363.50	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	18,673.71	20,147.36			(90.74)		18,582.97	20,417.07	360.45	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	5,242.91	5,620.89			(32.77)		5,210.14	5,661.92	73.80	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	16,790.41	18,055.59			(103.56)		16,686.85	18,260.05	308.02	0.00
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	6,824.71	7,363.35			(28.46)		6,796.25	7,469.27	134.38	0.00
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37	7,275.97	7,800.58			(92.59)		7,243.29	7,865.88	67.88	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	6,226.35	6,701.34			(25.02)		6,201.33	6,762.25	115.93	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	9,405.10	10,147.39			(36.40)		9,368.70	10,290.90	179.91	0.00
FNMA	2005 BCD Single Family	6.15	05/01/06	04/01/26	196,805.72	151,236.08			(1,509.73)		135,295.99	151,865.29	2,198.94	0.00
FNMA	2005 BCD Single Family	6.15	06/01/06	05/01/26	146,849.93	162,168.15			(1,978.28)		144,871.65	162,444.39	2,254.52	0.00
FNMA	2005 BCD Single Family	6.15	07/01/06	06/01/26	108,695.67	120,480.52			(2,534.07)		106,361.60	119,483.47	1,537.02	0.00
FNMA	2005 BCD Single Family	6.15	08/01/06	07/01/26	185,529.54	183,172.73			(3,760.04)		161,769.50	181,759.79	2,347.10	0.00
FNMA	2005 BCD Single Family	6.15	08/01/06	08/01/26	161,314.49	161,314.49			(2,116.28)		145,733.45	161,652.05	2,453.84	0.00
FNMA	2005 BCD Single Family	6.15	09/01/06	08/01/26	72,817.13	79,374.07			(3,362.28)		69,454.85	76,970.33	958.54	0.00
FNMA	2005 BCD Single Family	6.15	10/01/06	10/01/26	239,804.05	261,357.07			(3,477.47)		236,326.56	261,858.59	3,978.99	0.00
FNMA	2005 BCD Single Family	6.15	12/01/06	11/01/26	114,825.67	125,189.25			(1,548.07)		113,277.60	125,558.58	1,917.40	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	179,910.75	196,039.75			(64,762.89)		115,147.86	127,561.95	(3,714.91)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	95,504.45	105,206.74			(1,150.34)		94,354.11	105,428.44	1,372.04	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	778,703.98	860,452.73			(9,653.03)		769,050.95	865,400.71	14,601.01	0.00
GNMA	2005 BCD Single Family	6.15	03/20/96	03/20/26	162,238.45	179,277.12			(3,282.05)		158,954.40	178,877.45	2,882.38	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	579,188.80	639,971.70			(6,444.32)		572,744.48	644,480.07	10,952.69	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	228,523.50	252,491.39			(28,734.02)		199,789.48	224,799.77	1,042.40	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	706,842.08	780,988.65			(9,055.74)		697,786.34	785,149.42	13,216.51	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	248,737.40	275,983.80			(3,321.84)		246,415.56	277,315.64	4,653.68	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	853,987.06	943,659.00			(39,243.52)		814,743.54	916,836.31	12,420.83	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	217,120.41	239,879.10			(3,916.93)		213,203.48	239,880.21	3,918.04	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,118,241.51	1,235,344.56			(17,102.25)		1,101,139.26	1,238,806.81	20,564.50	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	708,497.28	780,218.24			(11,421.93)		697,075.35	781,786.79	12,990.48	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	08/20/26	320,336.19	352,562.42			(5,817.28)		314,518.91	352,542.44	5,797.30	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	185,864.39	204,629.80			(4,804.30)		181,060.09	203,014.88	3,189.38	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	806,294.11	887,473.27			(10,643.29)		795,650.82	891,904.76	15,074.78	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	153,583.72	169,015.66			(2,270.46)		151,323.26	169,587.96	2,842.76	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	586,406.72	645,297.98			(6,586.50)		579,819.82	648,815.89	11,104.81	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	300,317.74	332,738.43			(5,051.15)		295,266.59	333,245.16	5,556.88	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	272,534.88	301,949.58			(3,069.07)		269,465.81	304,118.41	5,237.90	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	130,888.60	144,888.38			(1,631.50)		129,257.10	145,753.35	2,496.47	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	346,865.59	383,735.30			(5,860.55)		341,005.04	384,237.55	6,422.80	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	202,672.14	224,086.46			(1,880.20)		200,791.94	226,155.96	3,949.70	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	107,407.79	118,796.41			(1,511.97)		105,895.82	119,314.08	2,027.64	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	07/20/27	241,940.84	268,969.65			(3,541.84)		238,399.00	269,962.71	4,534.90	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	485,489.63	537,030.80			(4,302.48)		481,187.15	542,214.16	9,485.84	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	126,443.54	143,078.37			(1,014.90)		127,428.64	144,651.87	2,588.40	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	118,283.90	131,761.15			(1,352.06)		116,931.84	132,736.33	2,327.24	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	212,257.46	236,442.07			(70,495.96)		141,761.50	160,921.97	(5,024.14)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	65,693.64	73,178.76			(16,118.95)		49,574.69	56,275.19	(784.62)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	30,137.90	33,571.80			(1,325.02)		28,812.88	32,707.22	460.44	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	204,204.76	227,471.86			(2,522.26)		201,682.50	228,941.92	3,992.32	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	319,484.03	355,886.05			(2,986.13)		316,497.90	359,275.75	6,375.83	0.00
	2005 BCD Single Family Total				15,616,435.19	17,059,622.15	0.00	(732,918.16)	(445,719.87)	0.00	14,437,797.16	16,088,814.44	207,830.32	0.00
Repo Agmt	2006 ABCDE Single Family	0.20	11/30/10	12/01/10	1,098,288.10	1,098,288.10			(194.02)		1,098,094.08	1,098,094.08	-	0.00
Repo Agmt	2006 ABCDE Single Family	0.20	11/30/10	12/01/10	11,101,858.64	11,101,858.64			(8,940,183.13)		2,161,675.51	2,161,675.51	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	2,780,071.64	2,780,071.64	3,401,636.60				6,181,708.24	6,181,708.24	-	0.00
Freddie Mac	2006 ABCDE Single Family				109,664.47	117,879.83			(109,664.47)				(8,215.36)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	06/18/08	04/01/38	219,713.48	236,177.53			(825.52)		218,887.96	238,626.65	3,474.64	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	06/18/08	03/01/38	99,851.90	96,899.70			(408.73)		99,443.17	98,579.78	2,088.81	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	06/25/08	12/01/37	124,573.44	133,541.52			(475.50)		124,097.94	134,491.61	1,425.59	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	07/16/08	06/01/38	187,148.03	200,625.72			(773.83)		186,374.20	201,985.08	2,133.19	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	07/16/08	05/01/38	71,653.15	77,260.75			(243.89)		71,409.26	78,317.04	1,300.18	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	07/23/08	03/01/38	79,235.16	85,174.46			(285.43)		78,949.73	86,132.08	1,243.05	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	122,091.74	131,246.28			(429.56)		121,662.18	132,720.83	1,904.11	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	58,289.56	62,638.67			(1,016.79)		57,252.77	62,851.37	1,229.49	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	09/24/08	07/01/38	116,852.57	126,004.09			(391.41)		116,461.16	127,733.62	2,120.94	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	10/22/08	03/01/38	178,621.02	191,496.75			(669.64)		177,951.38	192,863.38	2,036.27	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/19/08	10/01/38	161,802.61	173,471.09			(594.06)		161,208.55	174,710.01	1,832.98	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/25/08	10/01/38	129,005.89	138,309.76			(804.24)		128,201.65	138,984.49	1,478.97	0.00
Freddie Mac	2006 ABCDE Single Family	5.25	12/18/08	09/01/38	193,724.52	207,895.74			(1,671.12)		192,053.40	209,078.48	2,753.96	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	12/30/08	12/01/38	141,531.82	151,743.18			(502.86)		141,028.96	152,835.16	1,594.84	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	174,360.42	190,458.11			(2,227.82)		172,132.60	191,265.12	3,033.83	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	168,700.12	184,276.20			(2,440.12)		166,260.00	184,739.80	2,903.72	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	179,860.47	196,468.94			(2,100.72)		177,759.75	197,517.69	3,151.47	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	115,925.44	127,952.72			(39,957.80)		75,967.64	85,049.58	(2,945.34)	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	81,375.18	89,817.84			(1,645.29)		79,729.89	89,261.57	1,089.02	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	139,969.15	154,490.96			(3,234.42)		136,734.73	153,081.39	1,824.85	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	1,586,324.60	1,760,154.02			(103,632.12)		1,482,692.48	1,675,872.45	19,350.55	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	656,396.35	728,324.22			(6,789.53)		649,606.82	734,244.04	12,709.35	0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	200,877.55	224,466.56			(1,727.08)		199,150.47	226,682.99	3,943.51	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	545,577.81	605,362.12			(7,243.94)		538,333.87	608,473.25	10,355.11	0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	471,795.98	523,485.31			(4,165.18)		467,630.80	528,558.33	9,228.20	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	57,230.70	63,951.34			(537.70)		56,693.00	64,530.64	1,117.20	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	877,307.83	973,443.14			(8,406.09)		868,901.74	982,110.87	17,073.82	0.00
GNMA	2006 ABCDE Single Family	6.25	06/29/97	06/20/27	237,267.12	263,255.62			(2,211.43)		235,045.69	265,669.84	4,625.45	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	292,696.14	327,067.47			(3,777.87)		288,918.27	328,861.24	5,571.64	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	297,281.29	329,957.36			(3,200.01)		294,081.28	332,397.10	5,739.75	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	471,313.67	529,617.66			(64,603.12)		412,710.55	466,482.56	1,468.02	0.00
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	331,359.09	322,459.43			(8,328.66)		323,030.43	330,263.08	16,132.31	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	735,035.37	815,590.48			(8,441.94)		726,593.43	821,281.18	14,122.64	0.00
GNMA	2006 ABCDE Single Family	6.45	03/28/97	08/20/27	296,608.86	297,916.74			(2,246.94)		294,361.92	300,909.96	5,240.16	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	119,929.70	128,633.24			(2,621.74)		113,307.96	128,070.82	2,059.32	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	314,488.42	348,950.03			(4,392.15)		310,096.27	350,498.69	5,940.81	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	329,710.04	365,839.65			(8,734.77)		320,975.27	362,795.14	5,690.26	0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	227,109.38	251,995.98			(1,523.24)		225,186.14	254,525.60	4,452.86	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	132,590.35	148,160.42			(1,066.76)		131,523.59	149,706.71	2,613.05	0.00
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	384,350.22	404,275.66			(10,610.55)		353,739.67	399,628.34	6,163.23	0.00
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	518,940.00	575,805.45			(5,621.84)		513,318.16	580,198.36	10,014.77	0.00
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	739,176.62	826,502.92			(8,573.59)		730,603.03	832,471.00	14,541.67	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	211,440.71	236,270.19			(1,927.45)		209,513.26	238,478.48	4,135.74	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	325,483.39	366,676.84			(47,546.55)		277,936.84	319,068.98	(61.31)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	462,108.10	516,701.59			(8,413.75)		453,694.35	516,953.00	8,665.16	0.00
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/26	137,540.67	153,789.48			(1,089.25)		136,451.42	155,476.59	2,776.36	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	155,237.97	174,884.88			(1,273.62)		153,964.35	176,749.54	3,138.28	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	185,603.66	207,530.90			(4,421.44)		181,182.22	206,444.49	3,335.03	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	118,978.21	133,034.24			(889.18)		118,089.03	134,554.12	2,409.06	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	139,715.33	156,221.27			(1,638.41)		138,076.92	157,328.96	2,746.10	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	50,769.46	56,767.35			(1,544.37)		49,225.09	56,088.54	865.56	0.00
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	140,624.17	158,421.56			(1,548.60)		139,075.57	159,657.37	2,784.41	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	560,886.89	615,968.82			(5,586.69)		545,300.30	621,331.56	10,949.43	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	35,231.89	39,890.60			(257.17)		34,974.52	40,150.39	716.96	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	319,226.35	347,525.74			(3,165.35)		316,061.00	344,620.25	259.86	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	437,564.26	476,354.34			(4,185.36)		433,378.90	472,539.03	370.05	0.00
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	321,401.21	349,893.43			(3,507.55)		317,893.66	346,618.54	232.66	0.00
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	141,824.66	154,397.45			(1,478.30)		140,346.36	153,028.09	108.94	0.00
GNMA	2006 ABCDE Single Family	5.45	03/26/99	07/20/29	252,275.61	274,639.81			(6,398.95)		245,876.68	268,094.03	(146.83)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	171,885.24	192,050.82			(1,557.04)		170,328.20	193,964.64	3,470.86	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	42,925.84	47,981.89			(320.76)		42,605.08	48,517.38	876.25	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	158,361.46	172,400.18			(2,102.09)		156,259.37	170,378.94	80.85	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	767,226.31	835,240.93			(7,325.73)		759,900.58	828,565.20	650.00	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	196,946.03	220,051.77			(1,696.54)		195,247.49	222,342.02	3,988.79	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	158,875.49	172,429.12			(1,206.57)		157,668.92	171,983.64	761.09	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	134,649.81	149,251.23			(31,261.04)		103,388.77	116,384.73	(1,605.46)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/10/06	07/20/36	518,021.85	563,805.16			(2,309.38)		515,712.46	562,227.39	731.62	0.00
GNMA	2006 ABCDE Single Family	5.38	03/16/06	08/20/36	179,816.96	196,530.38			(725.80)		179,091.16	196,128.74	324.16	0.00
GNMA	2006 ABCDE Single Family	5.63	03/16/06	08/20/36	229,389.47	251,674.42			(1,025.26)		228,364.21	252,506.44	1,857.28	0.00
GNMA	2006 ABCDE Single Family	5.38	03/23/06	08/20/36	560,394.05	612,484.71			(3,571.86)		556,822.19	609,798.41	885.56	0.00
GNMA	2006 ABCDE Single Family	5.13	03/23/06	08/01/36	961,731.15	1,044,928.31			(4,453.32)		957,277.83	1,041,854.79	1,379.80	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/06	08/20/36	1,625,684.92	1,776,821.56			(6,694.37)		1,618,990.55	1,773,045.04	2,817.85	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/06	09/20/36	740,025.73	810,815.97			(4,420.46)		735,605.27	812,292.08	5,896.57	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/06	08/20/36	1,691,232.76	1,840,759.67			(7,678.93)		1,683,553.83	1,835,456.59	2,375.85	0.00
GNMA	2006 ABCDE Single Family	5.38	03/12/06	09/20/36	886,983.45	969,493.31			(4,229.53)		882,753.92	966,761.82	1,538.04	0.00
GNMA	2006 ABCDE Single Family	5.13	03/12/06	09/20/36	1,118,544.78	1,217,471.81			(132,462.89)		986,081.89	1,075,082.65	(9,926.07)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/12/06	09/20/36	205,246.30	225,192.11			(7,205.21)		198,041.09	218,984.00	997.10	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/06	09/20/36	1,560,105.66	1,705,174.85			(6,965.80)		1,553,139.86	1,700,957.57	2,748.52	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/06	09/20/36	3,152,788.52	3,425,701.99			(254,536.46)		2,898,252.06	3,154,476.37	(16,689.16)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/06	09/20/36	250,019.20	274,318.28			(891.15)		249,028.05	275,364.82	2,037.69	0.00
GNMA	2006 ABCDE Single Family	5.13	03/26/06	09/20/36	1,062,289.59	1,156,296.52			(5,394.32)		1,056,895.27	1,152,302.83	1,440.63	0.00
GNMA	2006 ABCDE Single Family	5.38	03/26/06	09/20/36	1,245,555.80	1,361,382.67			(5,395.40)		1,240,160.40	1,358,198.98	2,211.51	0.00
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	2,201,184.87	2,405,909.62			(110,045.22)		2,091,139.65	2,290,202.21	(5,662.19)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	1,067,965.97	1,170,175.21			(6,538.84)		1,061,427.13	1,172,129.46	8,483.09	0.00
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	2,336,875.52	2,539,207.67			(10,383.69)		2,326,491.83	2,532,214.88	3,380.90	0.00
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	1,935,337.42	2,115,358.00			(171,841.79)		1,763,495.63	1,931,390.18	(12,126.03)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	2,279,500.88	2,481,196.19			(181,020.07)		2,098,480.81	2,287,966.95	(12,209.17)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,359,804.47	1,492,014.83			(5,781.70)		1,354,022.77	1,487,274.81	11,041.48	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	1,996,461.87	2,182,183.48			(8,746.04)		1,987,715.83	2,176,870.54	3,533.10	0.00
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	2,010,940.50	2,188,888.47			(8,548.07)		2,002,392.43	2,183,215.32	2,874.92	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	1,627,325.57	1,778,729.72			(6,564.64)		1,620,760.93	1,775,100.40	2,955.32	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	1,601,623.21	1,743,364.84			(7,255.07)		1,594,368.14	1,738,359.15	2,249.38	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	807,324.69	885,839.47			(3,108.61)		804,216.08	889,321.53	6,580.67	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,075,569.31	1,175,647.12			(4,359.09)		1,071,210.22	1,173,224.98	1,936.99	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	1,894,917.60	2,062,846.66			(245,615.65)		1,649,101.95	1,798,065.12	(18,765.89)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	1,744,323.44	1,908,647.59			(7,223.28)		1,737,100.16	1,902,550.89	3,126.56	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	288,865.36	316,522.90			(1,116.13)		287,749.23	317,771.77	2,365.00	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,154,116.79	1,256,282.60			(117,485.64)		1,036,633.15	1,130,276.97	(8,519.99)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	1,514,909.15	1,655,894.40			(6,973.47)		1,507,935.68	1,651,571.22	2,650.29	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	259,174.07	294,383.23			(995.01)		258,179.06	295,504.33	2,116.11	0.00
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	291,068.18	316,636.30			(1,197.94)		289,870.24	316,058.33	419.97	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36	1,116,969.21	1,220,962.92			(6,467.58)		1,110,501.63	1,216,321.89	1,826.55	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	803,297.71	881,447.52			(3,068.61)		800,229.10	884,937.38	6,559.47	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	1,820,424.14	1,981,611.42			(269,428.66)		1,550,985.48	1,691,138.40	(21,043.26)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	2,594,258.64	2,935,782.50			(10,679.53)		2,583,579.11	2,829,758.77	4,865.80	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	508,082.96	556,750.47			(2,417.18)		505,665.78	558,445.75	4,112.46	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	1,689,766.52	1,817,647.07			(137,470.25)		1,532,296.27	1,670,780.96	(9,395.86)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	1,531,893.84	1,674,533.95			(87,343.92)					

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,121,539.18	2,306,018.49			(128,803.19)		1,992,735.99	2,170,394.58	(6,820.72)	0.00
GNMA	2006 ABCDE Single Family	5.36	01/30/07	01/20/37	1,237,430.65	1,350,844.86			(97,305.79)		1,140,124.86	1,246,883.98	(6,655.08)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	339,580.16	371,924.88			(1,300.99)		338,279.17	373,262.73	2,638.74	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	1,296,819.67	1,415,695.68			(6,375.66)		1,290,444.01	1,411,297.28	1,977.26	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	1,247,459.49	1,355,950.66			(196,583.21)		1,050,876.28	1,144,580.21	(14,787.24)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	190,266.15	208,382.51			(709.88)		189,556.27	209,163.08	1,480.45	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	743,910.16	812,110.62			(2,999.77)		740,910.39	810,307.47	1,196.62	0.00
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37	937,264.19	1,018,788.05			(4,960.78)		932,303.41	1,015,445.77	1,618.50	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	352,514.97	386,100.79			(1,590.25)		350,924.72	387,225.41	2,714.87	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	746,921.62	815,408.85			(101,223.22)		645,698.40	706,186.75	(7,998.88)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	163,782.91	179,389.65			(610.99)		163,171.92	180,053.25	1,274.59	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	73,824.34	80,860.10			(274.71)		73,549.63	81,159.98	574.58	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	812,567.22	883,271.64			(4,116.12)		808,451.10	880,574.20	1,418.68	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	668,862.69	730,205.04			(3,486.15)		665,376.54	727,720.07	1,001.18	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	394,747.50	429,088.51			(1,636.65)		393,110.85	428,173.88	722.02	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	1,030,386.49	1,120,084.92			(4,277.18)		1,026,108.31	1,117,690.65	1,882.91	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	666,509.33	730,059.59			(2,884.18)		663,625.15	732,320.58	5,145.17	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	562,150.49	613,728.45			(2,307.76)		559,842.73	612,320.39	899.70	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	601,852.35	654,225.66			(3,882.20)		597,970.15	651,320.53	977.05	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	203,148.57	222,510.94			(758.33)		202,390.24	223,333.30	1,580.69	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	371,077.44	405,122.59			(108,317.72)		262,758.72	287,388.73	(6,416.14)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	605,463.62	661,004.24			(2,354.37)		603,109.25	659,631.89	982.02	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	777,884.82	845,587.66			(3,182.62)		774,702.20	843,831.57	1,426.53	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	88,171.09	96,576.36			(324.69)		87,846.40	96,938.30	686.63	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	387,567.27	421,311.74			(1,670.84)		385,896.43	420,343.58	702.68	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	274,200.83	300,349.26			(1,007.27)		273,193.56	301,477.28	2,135.29	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	281,047.29	306,838.68			(1,090.65)		279,956.64	306,204.05	456.02	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	898,254.12	980,699.69			(3,508.45)		894,745.67	976,645.59	1,454.35	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	831,500.52	903,912.69			(3,356.21)		828,144.31	902,084.41	1,527.93	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	806,013.94	880,004.86			(3,117.86)		802,896.08	878,194.81	1,307.81	0.00
GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	140,117.31	153,483.83			(526.26)		139,591.05	154,047.53	1,089.96	0.00
GNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	1,445,642.12	1,571,558.08			(6,708.95)		1,438,933.17	1,567,427.52	2,578.39	0.00
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37	230,658.17	251,835.58			(874.67)		229,783.50	251,336.81	375.90	0.00
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37	718,948.50	781,581.81			(3,629.39)		715,319.11	779,209.30	1,256.88	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	344,818.83	377,719.09			(69,366.66)		275,452.17	303,984.12	(4,368.31)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/07/07	07/20/37	216,790.79	236,814.85			(847.33)		215,943.46	236,317.47	349.95	0.00
GNMA	2006 ABCDE Single Family	5.63	06/07/07	08/20/37	872,323.43	956,038.50			(3,617.17)		868,706.27	959,170.45	6,748.11	0.00
GNMA	2006 ABCDE Single Family	5.13	06/07/07	07/20/37	1,356,332.95	1,477,411.56			(31,604.47)		1,326,728.48	1,445,948.63	142.54	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	728,065.79	794,922.08			(2,824.89)		725,240.90	793,277.68	1,180.49	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	516,639.65	560,684.69			(2,058.76)		514,600.89	559,609.08	993.15	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	471,509.66	514,815.96			(1,786.96)		469,722.80	513,797.58	766.48	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	289,648.22	314,346.03			(1,160.95)		288,487.27	313,723.17	538.09	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37	64,366.42	70,550.44			(304.42)		64,061.00	70,740.05	494.03	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/07	10/20/37	454,027.33	496,021.59			(119,401.71)		334,625.62	366,239.96	(10,380.52)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37	1,072,272.63	1,171,380.36			(171,434.55)		900,838.08	985,885.99	(14,059.82)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/25/07	09/20/37	986,747.66	1,073,311.89			(4,166.15)		982,581.51	1,070,936.79	1,791.05	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37	277,124.32	303,734.40			(1,048.67)		276,075.65	304,840.00	2,154.27	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37	123,487.53	135,345.64			(693.93)		122,793.60	135,588.04	996.33	0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37	1,013,847.93	1,107,570.12			(3,955.42)		1,009,892.51	1,105,251.81	1,637.11	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37	93,244.29	102,198.64			(336.47)		92,907.82	102,588.63	726.46	0.00
GNMA	2006 ABCDE Single Family	5.13	10/09/07	09/20/37	282,365.12	307,140.15			(1,133.57)		281,231.55	306,524.68	518.10	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	603,522.64	659,280.87			(2,868.34)		600,654.30	657,316.12	923.59	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	836,915.01	910,298.07			(3,530.84)		833,384.17	908,286.65	1,519.42	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37	426,640.37	464,974.75			(116,215.58)		309,424.79	338,632.71	(10,126.46)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37	515,130.64	564,586.62			(1,912.58)		513,218.06	566,682.89	4,008.85	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37	448,970.54	485,332.57			(1,770.76)		445,199.78	484,392.00	630.19	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/07	11/20/37	402,094.36	439,299.65			(2,192.60)		399,901.76	437,687.33	580.28	0.00
GNMA	2006 ABCDE Single Family	5.13	12/11/07	11/20/37	281,279.54	305,461.70			(1,052.36)		280,197.18	304,894.54	525.20	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	433,942.77	474,066.45			(1,607.81)		432,334.96	473,167.38	706.74	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37	1,071,677.52	1,163,714.89			(4,645.26)		1,067,032.26	1,161,024.82	1,955.19	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/37	160,480.75	176,225.23			(669.80)		159,810.95	176,858.92	1,303.49	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	672,192.36	734,345.35			(3,220.31)		668,972.05	732,153.97	1,028.93	0.00
GNMA	2006 ABCDE Single Family	5.38	11/06/07	10/20/37	566,891.32	619,305.65			(2,098.29)		564,793.03	618,133.40	926.04	0.00
GNMA	2006 ABCDE Single Family	5.13	11/06/07	10/20/37	389,723.94	423,932.76			(1,494.33)		388,229.51	423,159.80	721.37	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/08	12/20/37	61,940.01	67,896.20			(319.10)		61,620.91	68,049.61	472.71	0.00
GNMA	2006 ABCDE Single Family	5.38	12/28/07	11/20/37	264,048.50	288,482.79			(965.16)		263,083.34	287,949.81	432.16	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	65,041.37	71,294.43			(230.51)		64,810.86	71,571.25	507.33	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	582,221.63	636,196.28			(2,143.96)		580,077.67	640,585.41	4,533.09	0.00
GNMA	2006 ABCDE Single Family	5.38	12/11/07	11/20/37	844,548.04	922,684.15			(3,121.33)		841,426.71	920,942.83	1,380.01	0.00
GNMA	2006 ABCDE Single Family	5.38	12/20/07	11/20/37	73,717.36	80,538.27			(297.42)		73,419.94	80,358.86	118.01	0.00
GNMA	2006 ABCDE Single Family	5.13	12/20/07	12/20/37	78,539.48	85,437.65			(297.32)		78,242.16	85,286.05	145.72	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/08	12/20/37	45,669.27	49,896.45			(437.69)		45,231.58	49,507.90	49.14	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	12/20/37	87,218.79	95,293.21			(318.31)		86,900.48	95,117.69	142.79	0.00



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GNMA	2006 ABCDE Single Family	5.63	02/13/08	01/20/38	186,079.83	203,703.23			(657.35)		185,422.48	204,509.67	1,463.79	0.00
GNMA	2006 ABCDE Single Family	5.38	02/19/08	12/20/37	130,300.25	142,365.90			(1,019.96)		129,280.29	141,507.77	161.83	0.00
GNMA	2006 ABCDE Single Family	5.63	02/19/08	01/20/38	211,788.29	231,847.91			(734.44)		211,053.85	232,780.91	1,667.44	0.00
GNMA	2006 ABCDE Single Family	5.13	02/27/08	02/20/38	179,950.22	195,557.22			(684.56)		179,265.66	195,172.58	299.92	0.00
GNMA	2006 ABCDE Single Family	5.38	02/27/08	02/20/38	267,950.88	292,528.58			(149,206.86)		118,744.02	129,910.93	(13,410.79)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/08	02/20/38	268,796.36	293,458.15			(981.58)		267,814.78	293,006.81	530.24	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/08	10/20/37	104,383.63	113,561.54			(399.83)		103,983.80	113,354.71	193.00	0.00
GNMA	2006 ABCDE Single Family	5.38	03/27/08	03/20/38	193,983.51	218,333.98			(727.94)		199,255.57	218,000.75	394.71	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/08	04/20/38	118,122.51	128,965.48			(428.86)		117,693.65	128,769.86	233.24	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/08	04/20/38	335,067.09	364,150.56			(1,256.13)		333,810.96	363,454.11	559.68	0.00
GNMA	2006 ABCDE Single Family	5.13	04/22/08	03/20/38	123,684.72	135,037.57			(451.66)		123,233.06	134,829.88	243.97	0.00
GNMA	2006 ABCDE Single Family	5.63	04/22/08	03/20/38	251,397.96	275,226.40			(865.02)		250,532.94	276,343.45	1,980.07	0.00
GNMA	2006 ABCDE Single Family	5.13	05/07/08	04/20/38	276,232.98	300,213.66			(1,045.03)		275,187.95	299,626.18	460.55	0.00
GNMA	2006 ABCDE Single Family	5.63	05/07/08	04/20/38	261,827.44	286,651.77			(897.28)		260,930.16	287,817.09	2,062.60	0.00
GNMA	2006 ABCDE Single Family	5.38	05/14/08	04/20/38	326,988.75	357,011.63			(1,222.59)		325,766.16	356,431.34	642.30	0.00
GNMA	2006 ABCDE Single Family	5.13	05/21/08	05/20/38	582,167.23	631,617.05			(2,179.57)		579,987.66	630,431.97	994.49	0.00
GNMA	2006 ABCDE Single Family	5.13	06/11/08	05/20/38	249,887.04	271,590.33			(961.53)		248,925.51	271,044.58	415.18	0.00
GNMA	2006 ABCDE Single Family	5.63	07/09/08	06/20/38	285,314.48	312,387.44			(964.51)		284,349.97	313,672.01	2,249.08	0.00
GNMA	2006 ABCDE Single Family	5.38	07/09/08	03/20/38	96,827.77	105,724.00			(345.01)		96,482.76	105,570.68	191.69	0.00
GNMA	2006 ABCDE Single Family	5.13	07/16/08	06/20/38	116,526.91	126,652.73			(425.94)		116,100.97	126,422.38	195.59	0.00
GNMA	2006 ABCDE Single Family	5.63	06/18/08	03/20/38	28,127.10	30,795.14			(99.24)		28,027.86	30,917.18	221.28	0.00
GNMA	2006 ABCDE Single Family	5.63	06/25/08	05/20/38	178,443.80	195,372.64			(607.37)		177,836.43	196,171.47	1,406.20	0.00
GNMA	2006 ABCDE Single Family	5.38	06/25/08	05/20/38	292,708.51	319,598.45			(1,033.33)		291,675.18	319,145.82	580.70	0.00
GNMA	2006 ABCDE Single Family	5.38	07/23/08	06/20/38	324,185.17	353,977.84			(1,139.05)		323,046.12	353,482.40	643.61	0.00
GNMA	2006 ABCDE Single Family	5.38	07/29/08	06/20/38	153,303.11	167,392.70			(535.05)		152,768.06	167,162.34	304.69	0.00
GNMA	2006 ABCDE Single Family	5.13	08/27/08	08/20/38	243,410.30	264,574.66			(886.03)		242,524.27	264,087.51	408.88	0.00
GNMA	2006 ABCDE Single Family	5.63	08/13/08	07/20/38	73,066.57	80,002.80			(243.87)		72,822.70	80,335.24	576.31	0.00
GNMA	2006 ABCDE Single Family	5.38	08/13/08	07/20/38	159,453.86	174,111.96			(555.74)		158,898.12	173,873.22	317.00	0.00
GNMA	2006 ABCDE Single Family	5.13	08/13/08	07/20/38	250,102.86	271,844.49			(963.02)		249,139.84	271,296.91	415.44	0.00
GNMA	2006 ABCDE Single Family				104,610.57	114,543.24			(104,610.57)				(9,932.67)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/10/08	09/20/38	409,096.58	444,674.51			(1,508.97)		407,587.61	443,851.38	685.84	0.00
GNMA	2006 ABCDE Single Family				107,798.81	117,713.52			(107,798.81)				(9,914.71)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/24/08	08/20/38	121,347.44	131,902.27			(537.53)		120,809.91	131,560.04	195.30	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	09/20/38	229,656.06	250,025.19			(823.30)		228,832.76	249,654.67	452.78	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	08/20/38	124,927.05	135,796.26			(453.35)		124,473.70	135,552.88	209.97	0.00
GNMA	2006 ABCDE Single Family				122,837.63	134,507.75			(122,837.63)				(11,670.12)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	09/20/38	66,084.53	71,834.32			(240.40)		65,844.13	71,704.93	111.01	0.00
GNMA	2006 ABCDE Single Family	5.13	11/12/08	10/20/38	277,127.17	301,248.52			(1,003.33)		276,123.84	300,711.13	465.94	0.00
GNMA	2006 ABCDE Single Family	5.38	11/12/08	10/20/38	85,931.21	93,840.08			(284.69)		85,636.52	93,716.65	171.26	0.00
GNMA	2006 ABCDE Single Family	5.13	11/25/08	09/20/38	134,051.26	145,720.78			(495.52)		133,555.34	145,449.29	224.43	0.00
GNMA	2006 ABCDE Single Family	5.38	11/25/08	11/20/38	473,195.50	516,754.84			(1,613.37)		471,582.13	516,086.01	944.54	0.00
GNMA	2006 ABCDE Single Family	5.63	12/10/08	10/20/38	130,157.66	142,532.16			(429.93)		129,727.73	143,129.37	1,027.14	0.00
GNMA	2006 ABCDE Single Family	5.38	12/10/08	11/20/38	159,601.15	174,295.85			(540.30)		159,060.85	174,074.32	318.77	0.00
GNMA	2006 ABCDE Single Family	5.13	12/10/08	11/20/38	337,827.33	367,243.60			(1,263.68)		336,563.65	366,544.28	564.36	0.00
GNMA	2006 ABCDE Single Family	5.38	12/17/08	11/20/38	201,216.81	219,744.68			(1,179.78)		200,037.03	218,919.70	354.80	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	408,990.84	445,966.69			(1,464.14)		407,526.70	444,967.80	755.25	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	120,943.48	131,788.70			(419.39)		120,524.09	131,593.90	224.59	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	277,973.33	302,900.30			(989.70)		277,013.63	302,457.16	516.56	0.00
GNMA	2006 ABCDE Single Family	5.13	12/17/08	12/20/38	482,673.98	524,707.48			(138,367.30)		344,306.68	374,980.42	(1,359.78)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	282,112.03	307,409.50			(979.56)		281,132.47	306,953.68	523.74	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	12/20/38	585,420.53	637,921.42			(2,039.85)		583,380.68	636,967.74	1,086.17	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	10/20/38	254,408.58	277,222.96			(885.83)		253,522.75	276,809.22	472.09	0.00
GNMA	2006 ABCDE Single Family	5.13	12/30/08	12/20/38	81,187.91	88,259.28			(286.56)		80,901.35	88,109.95	137.23	0.00
GNMA	2006 ABCDE Single Family	5.38	12/30/08	11/20/38	130,812.72	142,859.86			(569.08)		130,243.63	142,540.11	249.34	0.00
GNMA	2006 ABCDE Single Family	5.25	12/30/08	12/20/38	93,661.00	102,061.31			(330.79)		93,330.21	101,903.98	173.46	0.00
GNMA	2006 ABCDE Single Family	5.15	12/30/08	12/20/38	258,007.58	281,721.45			(910.45)		258,097.13	281,259.05	448.05	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	546,684.27	587,826.80			(2,460.30)		544,223.97	595,721.73	10,355.23	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	354,324.37	379,833.57			(1,744.56)		352,579.81	383,368.97	5,279.86	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	300,406.45	323,016.13			(105,059.51)		195,346.94	214,455.03	(3,501.59)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	439,046.80	473,660.92			(1,773.64)		437,273.16	480,774.62	8,887.34	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	572,307.46	614,050.38			(5,164.23)		567,143.23	617,040.42	8,154.27	0.00
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	911,923.57	980,566.22			(4,344.11)		907,579.46	992,643.67	16,421.56	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	346,604.17	373,932.41			(1,362.30)		345,241.87	379,339.97	6,769.86	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	960,762.49	1,029,966.63			(4,218.76)		956,543.72	1,037,928.92	12,181.05	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	509,204.98	547,535.15			(3,035.72)		506,169.26	554,740.93	10,241.50	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	289,433.56	289,433.56			(1,089.94)		287,178.93	293,531.91	5,198.29	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	08/01/36	576,563.91	620,385.73			(3,614.29)		572,933.62	627,259.00	10,487.56	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	08/01/36	511,750.72	548,614.04			(2,310.50)		509,440.22	553,267.36	6,963.82	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	466,796.13	501,937.01			(2,104.35)		464,691.78	507,955.76	8,123.10	0.00
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	987,936.31	1,062,312.37			(4,180.45)		983,745.86	1,075,191.21	17,069.29	0.00
FNMA	2006 ABCDE Single Family	5.63	10/17/08	09/01/36	577,968.35	623,549.91			(2,635.11)		575,333.24	632,479.96	11,565.16	0.00
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,225,177.06	1,313,448.24			(33,348.14)		1,191,827.92	1,295,872.62	15,773.52	0.00
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	1,025,926.02	1,103,169.63			(124,015.63)		901,910.39	987,520.86	8,366.66	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	1,657,482.31	1,762,284.28			(7,800.71)		1,649,681.60	1,804,855.65	30,372.08	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,527,									

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	767,719.32	823,036.70			(289,853.09)		477,866.23	519,399.68	(13,783.93)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,112,055.77	1,195,800.03			(4,934.12)		1,107,121.65	1,210,058.59	19,192.68	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	366,695.81	395,621.27			(1,559.84)		365,135.97	401,677.95	7,616.52	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	364,602.96	390,876.82			(1,574.99)		363,027.97	393,926.37	4,624.54	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	469,822.06	505,202.91			(64,328.36)		405,483.70	442,984.00	2,109.45	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	240,925.48	259,930.80			(6,150.25)		234,775.23	257,972.32	4,191.77	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	227,177.76	243,549.32			(2,088.15)		225,089.61	244,815.66	3,354.69	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	282,646.39	303,932.84			(1,157.83)		281,488.56	307,574.76	4,789.75	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	113,224.29	121,384.03			(2,268.02)		110,956.27	120,453.20	1,337.19	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	374,811.30	404,378.98			(47,300.07)		327,511.23	360,290.00	3,211.09	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	337,376.62	362,787.07			(1,369.28)		336,007.34	367,076.91	5,659.12	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	364,668.44	393,438.41			(1,849.32)		362,819.12	399,068.13	7,479.04	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	446,768.17	477,498.35			(112,421.56)		334,346.61	362,545.84	(2,531.15)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,244,081.97	1,337,791.46			(109,961.74)		1,134,120.23	1,238,759.48	11,929.76	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	327,552.19	353,396.71			(2,050.98)		325,501.21	358,083.48	6,737.75	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	390,608.56	418,762.78			(154,728.45)		235,879.11	256,106.23	(7,927.10)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,076,920.72	1,158,047.05			(6,451.94)		1,070,468.78	1,170,864.68	19,268.57	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	239,270.50	258,150.74			(1,125.71)		238,144.79	261,766.47	4,741.44	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	240,757.46	258,113.03			(1,011.46)		239,746.00	260,046.99	2,945.42	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36	985,243.38	1,065,594.14			(3,951.81)		981,291.57	1,078,186.94	16,544.61	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	853,929.70	921,318.54			(4,149.26)		849,780.44	933,652.17	16,482.89	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	205,027.56	271,270.41			(1,581.84)		251,445.72	273,250.60	3,562.03	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37	767,809.86	825,863.40			(4,736.14)		763,073.52	835,013.44	14,086.18	0.00
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	312,036.97	336,716.39			(1,301.09)		310,735.88	341,562.15	6,144.85	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	351,145.50	376,464.73			(1,571.81)		349,573.69	379,616.05	4,723.13	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	285,483.68	306,445.41			(1,153.90)		284,329.78	310,602.76	5,311.25	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	430,084.25	464,029.98			(1,664.30)		428,419.95	470,582.74	8,227.06	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	439,675.11	471,379.16			(1,867.45)		437,807.66	474,937.40	5,425.69	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	547,995.54	587,512.43			(5,854.20)		542,141.34	592,902.00	11,243.72	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	156,959.36	169,076.32			(595.89)		156,363.47	171,682.41	3,211.98	0.00
FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	72,202.27	77,408.96			(566.93)		71,635.34	78,334.04	1,492.01	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	114,702.56	124,283.76			(486.32)		114,216.24	126,232.25	2,434.81	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	115,602.25	124,313.66			(1,184.74)		114,417.51	125,516.73	2,387.81	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	301,444.15	322,520.07			(1,677.59)		299,766.56	325,486.90	4,644.42	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	943,996.00	1,013,331.17			(3,845.62)		940,150.38	1,026,752.78	17,267.23	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	216,745.74	233,481.85			(1,369.99)		215,375.75	236,367.94	4,756.08	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	849,275.33	908,659.18			(12,935.40)		716,339.93	777,030.42	1,306.64	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,231,483.36	1,324,318.37			(5,564.54)		1,225,918.82	1,339,100.58	20,346.75	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	329,009.41	352,017.18			(1,379.30)		327,630.11	355,380.41	4,752.53	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	112,769.54	121,477.90			(442.26)		112,327.28	123,418.71	2,383.07	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	243,512.00	260,542.48			(1,017.54)		242,494.06	262,966.81	3,442.27	0.00
FNMA	2006 ABCDE Single Family	5.38	05/22/07	04/01/37	222,431.22	238,772.82			(884.46)		221,546.76	241,981.53	4,093.17	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	194,215.00	207,798.83			(1,017.42)		193,197.58	209,628.07	2,846.66	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	323,966.59	348,395.05			(1,931.69)		322,034.90	351,876.70	5,413.34	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	121,104.83	130,459.26			(478.58)		120,628.25	132,423.37	2,442.69	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	410,817.87	439,554.07			(2,196.86)		408,621.01	443,374.43	6,017.22	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	593,331.32	636,930.51			(26,348.84)		356,982.48	391,004.14	(9,577.53)	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	215,877.84	232,556.29			(800.93)		215,076.91	236,086.47	4,331.11	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	368,736.94	394,535.18			(2,894.72)		365,842.22	397,856.23	6,215.77	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	1,578,687.42	1,702,404.83			(8,098.65)		1,570,588.77	1,724,034.75	29,728.57	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	270,980.30	293,241.65			(1,197.46)		269,782.84	298,051.38	6,007.19	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	1,292,740.10	1,389,474.18			(5,455.45)		1,287,284.65	1,402,288.80	18,270.07	0.00
FNMA	2006 ABCDE Single Family	5.38	08/29/07	08/01/37	406,527.46	436,955.34			(1,642.21)		404,885.25	441,085.57	5,772.44	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/07	07/01/37	608,709.44	656,421.61			(4,277.80)		604,431.64	663,584.58	11,440.77	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37	856,760.19	708,251.56			(132,955.52)		523,804.67	574,612.95	(683.09)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37	170,314.19	183,064.49			(1,028.85)		169,285.34	184,596.47	2,563.83	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37	208,016.46	222,948.16			(763.30)		205,253.16	226,351.17	4,166.31	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37	1,641,398.99	1,770,113.09			(215,164.25)		1,426,234.74	1,564,757.82	9,808.98	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37	163,384.72	176,814.28			(97,700.49)		65,684.23	72,521.34	(6,592.45)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37	793,509.88	852,924.20			(3,498.39)		790,011.49	860,707.00	11,281.19	0.00
FNMA	2006 ABCDE Single Family	5.38	10/09/07	08/01/37	172,789.95	187,286.46			(808.08)		171,981.87	188,658.27	2,189.89	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37	465,041.10	502,255.93			(1,819.87)		463,221.53	504,553.65	4,117.29	0.00
FNMA	2006 ABCDE Single Family	5.63	10/09/07	09/01/37	190,196.18	206,619.96			(695.13)		189,501.05	208,933.73	3,006.90	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37	1,448,933.21	1,571,813.08			(74,127.55)		1,375,810.66	1,508,187.40	11,701.87	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37	707,802.43	764,456.63			(3,371.17)		704,431.26	768,854.96	7,769.60	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37	621,103.39	673,220.77			(3,324.51)		617,778.88	678,384.98	8,478.73	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37	285,028.10	307,846.10			(1,483.82)		283,544.28	309,748.37	3,385.89	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37	402,312.32	436,082.55			(1,790.65)		400,521.67	439,193.83	4,901.63	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37	379,619.13	410,012.96			(1,521.46)		378,097.67	411,932.85	3,441.35	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37	524,131.25	568,129.26			(2,045.52)		522,085.33	572,496.88	6,413.54	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	10/01/37	817,162.69	885,793.29			(3,120.40)		814,062.29	892,842.55	10,169.66	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	11/01/37	264,325.53	285,494.85			(1,096.56)		263,228.97	286,727.43	2,329.14	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	11/01/37</										

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.63	12/28/07	10/01/37	1,047,700.10	1,138,250.25			(4,231.43)		1,043,468.67	1,150,836.13	16,817.31	0.00
FNMA	2006 ABCDE Single Family	5.13	01/16/08	12/01/37	325,663.30	351,756.40			(1,250.75)		324,412.55	353,374.81	2,869.16	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	178,498.35	192,802.49			(995.31)		177,503.04	193,475.54	1,668.36	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/08	11/01/37	63,530.61	68,870.94			(232.63)		63,300.78	69,413.20	775.06	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	87,181.89	94,166.30			(446.91)		86,734.98	94,831.23	1,108.84	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/08	01/01/38	109,160.61	117,771.14			(412.52)		108,748.09	118,456.47	1,097.85	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/08	01/01/38	283,135.01	306,814.48			(131,015.24)		152,119.77	166,808.52	(8,990.72)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/19/08	04/01/37	149,883.59	162,842.59			(773.50)		149,110.09	164,924.00	2,854.91	0.00
FNMA	2006 ABCDE Single Family	5.38	02/19/08	12/01/37	205,401.73	222,661.66			(1,438.04)		203,963.69	224,025.35	2,801.73	0.00
FNMA	2006 ABCDE Single Family	5.13	02/19/08	01/01/38	236,400.72	257,206.99			(1,491.83)		236,908.89	258,170.05	2,454.89	0.00
FNMA	2006 ABCDE Single Family	5.13	02/27/08	02/01/38	72,867.07	78,615.92			(273.69)		72,593.38	79,073.76	731.53	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/08	11/01/37	251,620.21	272,770.17			(1,310.83)		250,309.38	274,713.31	3,253.97	0.00
FNMA	2006 ABCDE Single Family	5.13	04/08/08	03/01/38	155,672.90	167,960.98			(971.71)		154,701.19	169,269.93	2,280.66	0.00
FNMA	2006 ABCDE Single Family	5.63	04/15/08	12/01/37	138,776.50	150,785.36			(605.92)		138,170.58	152,887.77	2,708.33	0.00
FNMA	2006 ABCDE Single Family	5.38	04/15/08	01/01/38	123,639.37	134,035.41			(447.29)		123,192.08	135,094.51	1,506.39	0.00
FNMA	2006 ABCDE Single Family	5.13	04/15/08	04/01/38	114,441.57	123,476.02			(426.61)		114,014.96	124,195.19	1,145.78	0.00
FNMA	2006 ABCDE Single Family	5.38	04/29/08	04/01/38	154,128.54	167,091.41			(690.17)		153,438.37	168,614.72	2,213.48	0.00
Repo Agmt	2006 ABCDE Single Family				21,041.43	21,041.43		(21,041.43)					-	0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	2,338.82	2,598.66			(11.73)		2,327.09	2,639.81	52.88	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	8,693.38	9,516.92			(48.15)		8,645.23	9,478.59	9.82	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,347.23	9,274.61			(52.30)		8,294.93	9,409.64	187.33	0.00
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	10,514.34	11,509.93			(76.82)		10,437.52	11,443.20	10.09	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,350.07	5,944.36			(36.07)		5,314.00	6,028.01	119.72	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,277.59	3,587.95			(17.99)		3,259.60	3,573.68	3.72	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	8,206.55	9,118.67			(234.34)		7,972.21	9,043.94	159.61	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	5,987.45	6,630.41			(35.75)		5,951.70	6,728.81	134.15	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,517.55	2,755.99			(22.93)		2,494.62	2,735.01	1.95	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,428.29	7,037.16			(41.36)		6,386.93	7,002.50	6.70	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	3,840.79	4,267.60			(18.73)		3,822.06	4,335.80	86.93	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,656.81	5,098.02			(25.28)		4,631.53	5,078.05	5.31	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	18,821.93	18,691.38			(92.25)		18,728.68	18,978.45	379.32	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	4,030.13	4,411.99			(31.58)		3,998.55	4,384.06	3.65	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	4,796.63	5,329.67			(26.12)		4,770.51	5,411.74	108.19	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	2,500.49	2,737.39			(33.14)		2,467.35	2,705.21	0.96	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	4,928.91	5,386.04			(56.35)		4,872.56	5,342.46	2.77	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	2,948.64	3,276.45			(16.02)		2,932.62	3,326.93	66.50	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	9,622.03	10,534.03			(51.83)		9,570.20	10,493.21	11.01	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,608.70	6,232.21			(29.06)		5,579.64	6,329.85	126.70	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	4,754.84	5,205.57			(25.50)		4,729.34	5,185.51	5.44	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	2,834.15	3,149.20			(14.84)		2,819.31	3,168.36	64.00	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	18,524.86	20,519.13			(112.01)		18,412.85	20,824.97	417.85	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,637.02	5,076.16			(24.88)		4,612.14	5,056.30	6.02	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,002.70	5,541.22			(27.39)		4,975.31	5,627.05	113.22	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,810.57	5,285.22			(25.63)		4,784.94	5,245.85	6.26	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	4,875.21	5,400.03			(32.03)		4,843.18	5,477.64	109.64	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	10,697.59	11,708.52			(61.02)		10,636.57	11,681.03	13.53	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	12,416.35	13,753.26			(94.72)		12,321.63	13,936.04	277.50	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,044.04	8,910.18			(41.22)		8,002.82	9,051.38	182.42	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,512.13	6,033.21			(28.89)		5,483.14	6,011.43	7.21	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	15,794.91	17,484.73			(75.95)		15,708.96	17,767.39	358.61	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	12,142.54	13,450.24			(58.55)		12,083.99	13,687.53	275.84	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,368.30	8,161.98			(36.98)		7,331.32	8,292.20	167.20	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	2,119.84	2,348.20			(9.96)		2,109.88	2,386.43	48.19	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	4,687.03	5,161.89			(22.20)		4,664.83	5,276.23	106.54	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	11,015.50	12,202.11			(67.15)		10,958.35	12,394.68	249.72	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,330.62	3,689.36			(16.08)		3,314.54	3,748.95	75.67	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	2,554.16	2,829.35			(12.26)		2,541.90	2,875.12	58.03	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,319.31	5,892.42			(25.19)		5,294.12	5,988.14	120.91	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,138.12	4,583.96			(20.39)		4,117.73	4,657.53	93.96	0.00
GNMA	2006 ABCDE Single Family				2,421.11	2,681.98			(2,421.11)				(260.87)	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	3,962.79	4,389.78			(19.41)		3,943.38	4,460.37	90.00	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	1,931.36	2,139.57			(9.03)		1,922.33	2,174.45	43.91	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,446.04	2,709.79			(11.74)		2,434.30	2,753.63	55.58	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,117.54	4,581.51			(20.09)		4,097.45	4,634.92	93.50	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,290.84	2,537.90			(10.59)		2,280.25	2,579.42	52.11	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	2,811.12	3,114.46			(12.98)		2,798.14	3,165.43	63.95	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,746.04	3,042.34			(12.96)		2,733.08	3,082.14	62.46	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	2,995.52	3,312.70			(13.03)		2,982.49	3,367.93	68.26	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	16,781.68	18,355.60			(81.99)		16,699.69	18,293.71	20.10	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	1,886.79	2,086.64			(8.40)		1,878.39	2,121.21	42.97	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	18,271.16	19,984.45			(87.89)		18,183.27	19,918.57	22.01	0.00
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	25,373.36	27,754.59			(123.92)		25,249.44	27,661.07	30.40	0.00
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	39,440.52	43,067.41			(190.45)		39,250.07	42,925.95	48.99	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	24,721.30	27,041.60			(116.36)		24,604.94	26,955.26	30.02	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	5,175.01	5,660.37			(25.76)		5,149.25	5,640.76	6.15	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	8,928.35	9,765.84			(43.30)		8,885.05	9,733.27	10.73	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	9,261.31	10,130.20			(46.36)		9,214.95	10,094.83	10.99	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	28,135.72	30,775.53			(135.35)		28,000.37	30,674.09	33.91	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	5,065.47	5,540.80			(30.92)		5,034.55	5,515.35	5.47	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	4,879.89	5,338.29			(23.27)		4,856.62	5,320.92	5.90	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	21,642.69	23,633.62			(105.31)		21,537.38	23,555.11	26.80	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	57,769.28	63,193.38			(4,444.95)		53,328.33	58,424.21	(328.22)	0.00
GNMA	2006 ABCDE Single Family	4.48	10/21/04	10/20/34	15,082.77	16,245.67			(83.12)		14,999.65	16,106.86	(53.69)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	12,095.27	13,208.10			(59.17)		12,036.10	13,163.87	14.34	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	26,963.43	28,811.33			(157.41)		26,806.02	28,359.42	(94.50)	0.00
GNMA	2006 ABCDE Single Family	4.48	11/04/04	10/20/34	81,775.01	87,749.48			(529.35)		81,245.66	86,927.05	(233.08)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	11,613.12	12,703.68			(54.52)		11,558.60	12,663.27	14.11	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	25,046.96	26,877.13			(163.37)		24,883.59	26,623.91	(89.85)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,211.44	3,512.98			(14.82)		3,196.62	3,502.09	3.93	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	22,183.12	23,804.16			(122.65)		22,060.47	23,603.48	(78.03)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	2,795.12	3,055.55			(13.02)		2,782.10	3,045.73	3.20	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,665.04	2,885.69			(16.57)		2,648.47	2,868.77	(0.35)	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	2,501.05	2,772.14			(52.06)		2,448.99	2,730.44	10.36	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	4,888.16	5,370.71			(21.59)		4,866.57	5,516.67	167.55	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	14,289.46	15,448.80			(5,025.79)		9,263.67	10,159.35	(263.66)	0.00
FNMA	2006 ABCDE Single Family	4.48	11/04/04	10/01/34	7,343.34	7,808.59			(39.51)		7,303.83	7,856.52	87.44	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	3,140.70	3,437.75			(19.44)		3,121.26	3,421.66	3.35	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	2,937.23	3,263.46			(15.22)		2,922.01	3,314.60	66.36	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	11,218.22	12,280.40			(67.54)		11,150.68	12,225.00	12.14	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	69,305.63	74,371.75			(471.38)		68,834.25	73,650.37	(250.00)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	60,989.63	65,456.91			(322.60)		60,667.03	64,922.72	(213.59)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	61,871.82	61,871.82			(318.30)		57,153.52	61,151.38	(202.23)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	117,421.36	126,004.00			(633.38)		116,787.98	124,958.63	(411.99)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	71,920.38	77,178.41			(5,904.17)		66,016.21	70,635.87	(638.37)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	60,823.57	65,270.59			(368.95)		60,454.62	64,685.36	(216.28)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	135,652.55	145,398.62			(788.44)		134,864.11	144,203.27	(406.91)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	20,957.55	22,805.38			(96.61)		20,860.94	22,832.83	24.06	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	63,573.53	68,141.37			(405.86)		63,167.67	67,542.29	(192.22)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	2,439.48	2,696.17			(15.58)		2,423.90	2,652.89	2.39	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	90,333.90	96,824.88			(634.86)		89,699.04	95,911.45	(278.57)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	12,369.35	13,519.11			(56.15)		12,313.20	13,477.25	14.29	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	121,034.11	129,731.84			(859.46)		120,174.65	128,498.49	(373.89)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	131,273.15	140,708.08			(791.93)		130,481.22	139,520.34	(395.81)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	53,524.83	57,372.09			(302.80)		53,222.03	56,909.30	(159.99)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	110,102.43	118,016.37			(613.71)		109,488.72	117,074.18	(328.48)	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	4,880.90	5,339.65			(22.52)		4,858.38	5,323.11	5.98	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	52,437.88	56,207.33			(282.99)		52,154.89	55,768.54	(155.80)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	73,102.35	78,357.60			(17,469.25)		55,683.10	59,488.01	(1,400.34)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	82,111.90	88,015.73			(447.51)		81,664.39	87,323.94	(244.28)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	21,228.46	22,754.96			(8,898.52)		12,329.94	13,184.56	(671.88)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	5,908.63	6,458.19			(28.27)		5,880.36	6,436.61	6.69	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	49,747.23	53,324.57			(276.45)		49,470.78	52,899.75	(148.37)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	28,169.72	30,195.60			(149.14)		28,020.58	29,962.95	(83.51)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	55,278.16	59,254.43			(314.75)		54,963.41	58,774.30	(165.38)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	31,722.37	34,133.57			(165.41)		31,556.96	33,873.28	(94.88)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	5,009.85	5,468.50			(22.73)		4,987.12	5,449.70	5.93	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	70,629.16	75,710.54			(364.16)		70,265.00	75,137.68	(208.70)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	52,557.54	56,339.02			(301.35)		52,256.19	55,880.24	(157.43)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,231.95	6,811.83			(28.33)		6,203.62	6,790.69	7.19	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	84,326.47	90,394.64			(7,560.56)		76,765.91	82,050.62	(743.46)	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	5,137.74	5,606.10			(24.52)		5,113.22	5,587.53	5.95	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	2,057.59	2,249.16			(11.38)		2,046.20	2,239.95	2.18	0.00
GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	3,627.86	3,965.53			(16.26)		3,611.60	3,953.48	4.21	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	7,122.43	7,635.07			(36.20)		7,086.23	7,577.86	(21.01)	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	3,521.07	3,848.82			(18.38)		3,502.69	3,836.45	4.02	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	14,870.48	15,813.02			(92.44)		14,778.04	15,910.04	189.46	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	14,858.42	15,779.10			(80.50)		14,757.92	15,878.35	179.75	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	13,595.68	14,423.46			(84.84)		13,510.84	14,538.91	200.29	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	16,200.81	17,228.13			(88.37)		16,112.44	17,330.81	191.05	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	3,992.45	4,316.66			(18.31)		3,974.14	4,353.63	55.28	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	13,852.81	14,696.66			(116.76)		13,736.05	14,782.48	202.58	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,303.14	5,720.06			(24.08)		5,279.06	5,762.74	86.76	0.00
	<b>2006 ABCDE Single Family Total</b>				<b>201,086,058.60</b>	<b>217,454,479.63</b>	<b>3,401,636.60</b>	<b>(8,961,418.58)</b>	<b>(6,812,562.53)</b>	<b>0.00</b>	<b>188,713,315.09</b>	<b>206,006,185.91</b>	<b>924,450.79</b>	<b>0.00</b>
Repo Agmt	2006 FGH Single Family	0.20	11/30/10	12/01/10	646,336.07	646,336.07			(109.34)		646,226.73	646,226.73	-	0.00
Repo Agmt	2006 FGH Single Family	0.20	11/30/10	12/01/10	5,750,838.08	5,750,838.08			(4,126,947.48)		1,623,891.61	1,623,891.61	-	0.00
GIC's	2006 FGH Single Family	4.33	05/26/07	02/28/36	952,706.27	952,706.27	1,556,938.92				2,509,645.19	2,509,645.19	-	0.00
FNMA	2006 FGH Single Family	5.15	08/27/06	07/01/39	75,069.18	81,106.84			(405.34)		74,662.84	81,409.63	709.13	0.00
Freddie Mac	2006 FGH Single Family	5.49	05/26/08	05/01/38	250,554.38	269,709.10			(888.18)		249,696.20	273,232.79	4,411.87	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/26/08	04/01/38	153,542.83	164,648.40			(623.21)		152,919.62	165,842.44	1,817.25	0.00
Freddie Mac	2006 FGH Single Family	5.70	08/18/08	02/01/38	42,351.03	45,714.73			(144.48)		42,206.55	46,366.06	795.81	0.00
Freddie Mac	2006 FGH Single Family	5.49	06/18/08	05/01/38	144,944.93	156,009.40			(503.76)		144,441.17	158,046.92	2,541.28	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Freddie Mac	2006 FGH Single Family	5.15	06/18/08	05/01/38	77,759.06	83,384.62			(298.45)		77,460.61	84,006.38	920.21	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/25/08	04/01/38	92,363.12	99,699.79			(375.48)		91,987.64	101,054.05	1,729.74	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/09/08	04/01/37	109,702.28	117,637.98			(438.85)		109,263.43	118,526.31	1,327.18	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/16/08	06/01/38	160,882.53	172,525.40			(79,372.66)		81,509.87	88,397.87	(4,754.77)	0.00
Freddie Mac	2006 FGH Single Family	5.70	07/16/08	06/01/38	253,092.84	273,201.42			(891.28)		252,201.56	277,078.62	4,768.68	0.00
Freddie Mac	2006 FGH Single Family	5.49	07/23/08	06/01/38	75,909.24	81,705.96			(262.08)		75,647.15	82,773.35	1,329.48	0.00
Freddie Mac	2006 FGH Single Family	5.15	08/13/08	07/01/38	77,351.80	82,951.41			(304.38)		77,047.41	83,573.36	926.34	0.00
Freddie Mac	2006 FGH Single Family	5.15	09/17/08	07/01/38	55,834.84	59,878.04			(548.66)		55,285.98	60,375.67	1,046.29	0.00
Freddie Mac	2006 FGH Single Family	5.70	10/08/08	08/01/38	104,220.00	112,507.34			(342.52)		103,877.48	114,112.16	1,947.34	0.00
Freddie Mac	2006 FGH Single Family	5.49	10/22/08	08/01/38	103,091.38	110,971.10			(352.17)		102,739.21	112,419.76	1,800.83	0.00
Freddie Mac	2006 FGH Single Family	5.10	11/12/08	10/01/38	173,323.95	185,782.20			(806.49)		172,515.46	186,874.31	1,900.60	0.00
Freddie Mac	2006 FGH Single Family	5.70	11/19/08	08/01/38	93,823.60	101,287.16			(307.99)		93,515.61	102,732.24	1,753.07	0.00
Freddie Mac	2006 FGH Single Family	5.15	01/14/09	11/01/38	139,036.24	149,117.95			(494.63)		138,541.61	150,242.71	1,619.39	0.00
Freddie Mac	2006 FGH Single Family	5.15	03/31/09	12/01/38	94,603.52	101,468.88			(334.40)		94,269.12	102,234.67	1,100.09	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/20/09	03/01/39	154,911.37	166,144.17			(613.12)		154,298.25	167,347.38	1,816.33	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/24/09	05/01/39	63,903.48	68,545.43			(236.71)		63,666.77	69,053.00	744.28	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	4,103,646.28	4,489,002.41			(112,314.38)		3,991,331.90	4,373,700.57	(2,987.46)	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	36,744.04	39,960.44			(395.71)		36,348.33	39,608.88	44.15	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	1,584,464.37	1,733,264.51			(6,211.41)		1,578,252.96	1,729,478.93	2,405.83	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	178,959.74	195,767.67			(685.45)		178,274.29	195,355.50	273.28	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	351,875.76	385,869.92			(1,308.55)		350,567.21	387,468.35	2,906.98	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	118,137.81	128,479.84			(477.41)		117,660.40	128,215.77	213.34	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,025,044.80	1,121,323.96			(4,106.44)		1,020,938.36	1,118,766.61	1,548.09	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	623,762.47	678,380.24			(2,531.37)		621,231.10	676,974.38	1,125.51	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,110,798.06	1,215,173.53			(4,516.56)		1,106,281.52	1,212,327.95	1,670.98	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	117,446.10	127,731.44			(474.82)		116,971.28	127,468.69	212.07	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	1,615,461.37	1,757,032.63			(118,691.56)		1,496,769.81	1,630,847.45	(7,493.62)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	277,403.31	303,468.11			(1,088.32)		276,314.99	302,801.20	421.41	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	368,860.77	404,522.78			(1,443.21)		367,417.56	406,119.03	3,039.46	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,392,182.06	1,511,547.39			(254,995.66)		1,137,186.40	1,237,165.03	(19,386.70)	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,310,789.37	1,434,009.02			(6,475.20)		1,304,314.17	1,428,395.68	1,861.96	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,119,563.40	1,215,517.67			(5,284.96)		1,114,278.44	1,212,207.57	1,974.86	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	391,998.28	428,833.45			(1,563.15)		390,435.13	427,862.93	592.63	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1,215,160.62	1,319,330.81			(4,976.83)		1,210,183.79	1,316,562.87	2,208.89	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,020,786.02	1,116,724.96			(4,822.35)		1,015,963.67	1,113,374.86	1,472.25	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	178,704.90	195,499.95			(1,094.49)		177,610.41	194,639.01	233.55	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	371,910.09	404,501.76			(1,809.50)		370,100.59	403,335.90	643.64	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	77,200.68	77,200.68			(287.82)		76,912.86	77,029.96	127.10	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	553,348.73	605,373.75			(144,038.78)		409,309.95	448,567.95	(12,767.02)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	110,161.75	120,519.00			(547.05)		109,614.70	120,128.14	156.19	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	99,098.69	108,050.15			(433.89)		98,665.00	108,431.95	815.49	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	539,738.47	587,047.55			(3,502.28)		536,236.19	584,400.62	855.35	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	522,687.81	571,837.66			(142,052.46)		380,635.35	417,148.59	(12,636.61)	0.00
GNMA	2006 FGH Single Family	5.70	05/22/07	04/20/37	131,785.71	144,530.74			(481.88)		131,304.03	145,138.59	1,089.53	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	656,494.05	714,046.35			(3,269.92)		653,224.13	711,905.71	1,129.28	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	246,056.81	269,857.67			(884.93)		245,171.88	271,008.53	2,035.79	0.00
GNMA	2006 FGH Single Family	5.49	06/05/07	05/20/37	418,748.44	458,132.42			(1,774.99)		416,973.45	456,980.33	622.90	0.00
GNMA	2006 FGH Single Family	5.15	06/19/07	06/20/37	652,241.47	709,432.45			(2,588.02)		649,653.45	708,026.42	1,181.99	0.00
GNMA	2006 FGH Single Family	5.70	06/19/07	06/20/37	255,831.70	280,582.61			(928.57)		254,903.13	281,770.12	2,116.08	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	958,653.00	1,042,725.03			(393,792.96)		564,860.04	615,622.26	(32,309.81)	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	309,854.06	339,945.62			(1,310.15)		308,543.91	341,179.69	2,544.22	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	314,129.13	343,684.96			(1,164.25)		312,964.88	343,004.02	483.31	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	281,216.25	307,674.13			(1,044.04)		280,172.21	307,062.90	432.81	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	810,700.71	881,810.04			(3,209.44)		807,491.27	880,069.51	1,468.91	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	392,743.84	430,752.33			(81,048.53)		311,694.91	344,556.84	(5,146.56)	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	1,021,770.75	1,111,922.95			(259,182.07)		762,588.68	831,524.18	(21,216.70)	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	273,106.65	299,679.63			(1,006.76)		272,099.89	300,929.59	2,256.72	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37	449,255.42	491,762.56			(2,464.52)		446,790.90	489,509.60	611.56	0.00
GNMA	2006 FGH Single Family	5.15	11/21/07	10/20/37	650,149.64	706,372.86			(2,505.33)		647,644.31	705,059.37	1,191.84	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	377,283.47	414,042.16			(1,318.38)		375,965.09	415,849.22	3,125.44	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	96,793.73	105,964.69			(349.84)		96,443.89	105,764.07	149.22	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37	253,426.82	277,421.80			(975.39)		252,451.43	276,831.41	385.00	0.00
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37	2,338,105.78	2,545,632.31			(9,099.59)		2,330,006.19	2,540,772.35	4,238.63	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37	615,325.05	673,582.63			(3,259.03)		612,066.02	671,172.35	848.75	0.00
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37	143,474.70	157,443.56			(904.00)		142,570.70	157,685.22	1,145.66	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37	1,072,711.45	1,167,439.63			(88,710.25)		984,001.20	1,073,026.50	(5,702.88)	0.00
GNMA	2006 FGH Single Family	5.49	10/09/07	08/20/37	78,373.96	85,795.47			(286.12)		78,087.87	85,629.91	120.56	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37	1,085,693.11	1,181,509.15			(4,396.26)		1,081,296.85	1,179,065.17	1,952.28	0.00
GNMA	2006 FGH Single Family	5.49	08/23/07	07/20/37	768,498.69	841,228.85			(124,968.93)		643,530.76	705,649.88	(10,610.04)	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37	620,113.17	680,463.27			(75,737.40)		544,723.77	602,065.38	(2,680.45)	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	08/20/37	621,287.13	667,202.79			(2,017.32)		619,269.81	666,231.85	948.38	0.00
GNMA	2006 FGH Single Family	5.70	08/11/07	08/20/37	189,276.34	173,443.13			(692.92)		188,583.42	174,052.25	1,302.14	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37	533,573.80	584,083.07			(2,651.45)		530,922.35	582,195.		

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.49	11/28/07	11/20/37	139,112.46	152,294.54			(497.44)		138,615.02	152,012.24	215.14	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	329,368.37	358,476.81			(1,265.53)		328,100.84	357,809.98	598.70	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	11/20/37	355,146.94	389,756.75			(1,238.67)		353,908.27	391,460.42	2,942.34	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	76,423.81	83,178.39			(368.59)		76,057.22	82,944.11	132.31	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	241,420.09	264,300.16			(88,637.71)		172,782.38	189,484.38	(6,178.07)	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37	546,271.53	599,476.54			(2,312.53)		543,959.00	601,646.46	4,482.45	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37	1,422,416.96	1,548,056.42			(6,492.24)		1,415,924.72	1,544,056.98	2,482.80	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37	348,419.11	379,199.70			(1,344.92)		347,074.19	378,487.59	632.81	0.00
GNMA	2006 FGH Single Family	5.70	11/08/07	10/20/37	460,265.02	505,100.43			(83,985.87)		376,279.15	416,189.86	(4,924.70)	0.00
GNMA	2006 FGH Single Family	5.49	11/08/07	09/20/37	406,000.67	444,460.99			(81,146.87)		324,853.80	356,241.37	(7,072.75)	0.00
GNMA	2006 FGH Single Family	5.49	01/16/08	12/20/37	157,006.85	171,893.61			(559.35)		156,447.50	171,577.08	242.82	0.00
GNMA	2006 FGH Single Family	5.70	12/28/07	12/20/37	160,345.60	175,975.18			(597.10)		159,748.50	176,702.51	1,324.43	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	148,229.87	162,278.04			(553.07)		147,676.80	161,951.97	227.00	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	200,836.44	219,870.28			(728.83)		200,107.61	219,451.00	305.55	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	12/20/37	340,674.45	373,875.03			(86,908.66)		253,765.79	280,692.97	(6,273.40)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	425,728.50	466,076.01			(1,616.64)		424,111.86	465,108.61	649.24	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	96,823.90	94,503.11			(330.31)		96,498.59	94,330.93	158.13	0.00
GNMA	2006 FGH Single Family	5.70	12/20/07	12/20/37	204,953.40	224,929.27			(712.35)		204,241.05	225,915.20	1,698.28	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	01/20/38	66,455.03	72,256.03			(251.68)		66,203.35	72,117.74	113.39	0.00
GNMA	2006 FGH Single Family	5.15	01/16/08	12/20/37	638,404.72	694,856.37			(172,027.58)		466,376.74	508,626.14	(14,202.25)	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	97,656.69	106,917.62			(349.10)		97,307.59	106,719.44	150.92	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	172,164.05	188,490.63			(611.52)		171,552.53	188,145.54	266.43	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	12/20/37	126,383.63	137,561.19			(721.75)		125,661.88	137,047.62	208.18	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	102,811.45	112,487.27			(366.50)		102,444.95	112,338.01	217.24	0.00
GNMA	2006 FGH Single Family	5.70	01/30/08	12/20/37	74,943.85	82,251.69			(256.56)		74,687.29	82,616.48	621.35	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	72,359.27	78,676.78			(271.70)		72,087.57	78,528.67	123.59	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	118,485.27	129,636.19			(464.82)		118,020.45	129,417.63	246.26	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	990,272.33	1,083,469.09			(3,792.97)		986,479.36	1,081,743.25	2,067.13	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	141,965.06	155,336.70			(494.76)		141,470.30	155,143.01	301.07	0.00
GNMA	2006 FGH Single Family	5.15	03/12/08	02/20/38	321,105.04	349,150.88			(1,203.28)		319,901.76	348,496.24	548.64	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	02/20/38	212,598.54	232,613.95			(109,608.17)		102,990.37	112,939.64	(10,066.14)	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	03/20/38	85,451.01	93,496.22			(299.89)		85,151.02	93,377.23	181.00	0.00
GNMA	2006 FGH Single Family	5.15	02/19/08	02/20/38	128,872.65	140,125.48			(479.81)		128,392.74	139,866.18	220.61	0.00
GNMA	2006 FGH Single Family	5.49	02/19/08	02/20/38	193,306.45	193,306.45			(626.34)		176,050.86	193,053.97	373.86	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	126,315.43	138,205.63			(519.84)		125,695.59	137,836.47	250.68	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	02/20/38	151,302.24	165,548.17			(533.38)		150,768.86	165,335.07	320.28	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	03/20/38	108,376.21	118,580.78			(407.23)		107,969.98	118,400.52	226.97	0.00
GNMA	2006 FGH Single Family	5.70	03/27/08	03/20/38	201,347.83	220,757.99			(1,278.36)		200,069.47	221,087.98	1,608.35	0.00
GNMA	2006 FGH Single Family	5.70	04/22/08	12/20/37	118,534.14	130,103.57			(456.58)		118,077.56	130,624.38	977.39	0.00
GNMA	2006 FGH Single Family	5.15	04/22/08	04/20/38	82,699.60	90,253.21			(305.20)		82,394.40	90,090.34	142.33	0.00
GNMA	2006 FGH Single Family	5.49	05/07/08	04/20/38	338,790.38	368,521.14			(1,196.09)		335,594.29	368,037.09	712.04	0.00
GNMA	2006 FGH Single Family	5.15	05/14/08	04/20/38	307,699.49	334,015.96			(146,944.64)		160,754.85	174,835.46	(12,235.86)	0.00
GNMA	2006 FGH Single Family	5.49	05/14/08	04/20/38	300,821.24	329,165.49			(152,801.46)		148,019.78	162,330.39	(14,033.64)	0.00
GNMA	2006 FGH Single Family	5.49	05/21/08	04/20/38	126,682.37	138,619.73			(438.66)		126,243.69	138,449.96	268.91	0.00
GNMA	2006 FGH Single Family	5.15	05/21/08	05/20/38	211,475.36	228,964.32			(919.67)		210,555.69	229,394.57	349.92	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	05/20/38	244,631.49	267,685.97			(841.82)		243,789.67	267,363.96	519.81	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	04/20/38	75,961.36	83,119.84			(275.26)		75,686.10	83,004.64	160.06	0.00
GNMA	2006 FGH Single Family	5.15	06/11/08	05/20/38	278,695.99	303,067.75			(1,038.33)		277,657.06	302,506.07	476.65	0.00
GNMA	2006 FGH Single Family	5.70	07/09/08	06/20/38	249,093.24	273,137.31			(95,853.37)		153,239.87	169,358.00	(7,925.94)	0.00
GNMA	2006 FGH Single Family	5.49	07/09/08	06/20/38	328,901.40	359,914.01			(1,149.49)		327,751.91	359,461.64	697.12	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	145,400.64	158,122.24			(528.31)		144,872.33	157,843.79	249.86	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	73,614.46	80,055.24			(282.95)		73,331.51	79,897.41	125.12	0.00
GNMA	2006 FGH Single Family	5.70	07/16/08	11/20/37	66,874.97	73,408.55			(230.28)		66,644.69	73,732.49	554.22	0.00
GNMA	2006 FGH Single Family	5.15	06/18/08	06/20/38	406,662.06	442,229.78			(1,489.27)		405,172.79	441,438.33	697.82	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	100,696.76	109,504.74			(539.32)		100,157.44	109,122.94	157.52	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	97,982.12	106,563.52			(356.00)		97,626.12	106,375.92	168.40	0.00
GNMA	2006 FGH Single Family	5.70	06/25/08	05/20/38	719,028.36	788,419.99			(134,236.55)		584,791.81	646,290.43	(7,893.01)	0.00
GNMA	2006 FGH Single Family	5.49	07/16/08	07/20/38	257,000.69	281,236.22			(874.93)		256,125.76	280,908.57	547.27	0.00
GNMA	2006 FGH Single Family	5.70	07/23/08	07/20/38	190,027.19	208,373.41			(70,204.66)		119,822.53	132,428.02	(5,740.73)	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	493,275.82	474,137.98			(105,831.47)		327,444.15	359,130.28	(8,176.23)	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	203,142.74	222,301.20			(735.31)		202,407.43	221,994.00	428.11	0.00
GNMA	2006 FGH Single Family	5.15	07/23/08	07/20/38	75,722.58	82,348.65			(283.33)		75,439.26	82,194.71	129.39	0.00
GNMA	2006 FGH Single Family	5.49	07/28/08	07/20/38	158,971.24	173,964.93			(575.15)		158,396.09	173,724.83	335.05	0.00
GNMA	2006 FGH Single Family	5.15	07/28/08	07/20/38	220,358.08	250,516.84			(835.36)		229,522.72	250,077.59	396.01	0.00
GNMA	2006 FGH Single Family	5.70	08/27/08	06/20/38	83,134.75	91,164.06			(276.87)		82,857.78	91,577.58	690.50	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	09/20/38	101,765.34	111,367.14			(358.74)		101,406.60	111,223.80	215.40	0.00
GNMA	2006 FGH Single Family	5.49	08/13/08	07/20/38	219,347.68	240,039.52			(754.47)		218,593.21	238,751.14	486.09	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	07/20/38	349,549.24	379,056.87			(1,360.72)		347,188.52	378,286.67	590.52	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	09/20/38	216,038.10	234,947.84			(777.53)		215,260.57	234,542.47	372.16	0.00
GNMA	2006 FGH Single Family	5.70	08/20/08	06/20/38	111,006.62	121,729.87			(378.94)		110,627.78	122,272.01	921.18	0.00
GNMA	2006 FGH Single Family	5.15	08/27/08	07/20/38	140,017.71	152,275.26			(605.76)		139,411.95	152,010.38	240.88	0.00
GNMA	2006 FGH Single Family	5.70	09/10/08	09/20/38	117,515.52	128,867.96			(436.00)		117,079.52	128,403.24	971.38	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	09/20/38	70,381.41	76,544.12			(254.59)		70,126.82	76,410.57	121.04	0.00
GNMA	2006 FGH Single Family	5.15	09/24/08	08/20/38	85,814.22	93,329.57			(307.86)		85,506.24	93,169.39	147.80	0.00
GNMA	2006 FGH Single Family	5.15												

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.15	10/4/08	05/20/38	162,968.22	177,243.35			(2,082.24)		160,905.98	175,329.01	147.80	0.00
GNMA	2006 FGH Single Family	5.15	10/22/08	09/20/38	272,022.88	295,855.20			(1,104.57)		270,818.41	295,207.52	456.99	0.00
GNMA	2006 FGH Single Family	5.15	11/12/08	09/20/38	112,886.85	122,888.59			(403.01)		112,583.94	122,680.39	194.81	0.00
GNMA	2006 FGH Single Family	5.49	11/12/08	10/20/38	117,248.33	128,321.77			(730.79)		116,517.54	127,808.35	217.37	0.00
GNMA	2006 FGH Single Family	5.49	11/25/08	10/20/38	146,252.88	160,067.72			(487.51)		145,765.27	159,892.36	312.25	0.00
GNMA	2006 FGH Single Family	5.15	11/25/08	10/20/38	108,766.82	118,300.53			(385.81)		108,381.31	118,102.67	187.75	0.00
GNMA	2006 FGH Single Family	5.70	11/25/08	09/20/38	75,790.57	83,118.88			(391.20)		75,399.57	83,342.82	614.94	0.00
GNMA	2006 FGH Single Family				149,867.89	164,027.19			(149,867.89)				(14,159.30)	0.00
GNMA	2006 FGH Single Family	5.15	12/17/08	09/20/38	159,161.57	173,116.04			(968.87)		158,592.50	172,821.69	274.32	0.00
GNMA	2006 FGH Single Family	5.15	03/11/09	02/20/39	256,853.20	279,413.17			(907.34)		255,945.86	278,882.07	376.24	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	01/20/39	139,315.74	152,505.56			(455.79)		138,859.95	152,338.15	288.38	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	02/20/39	100,529.37	110,047.23			(326.85)		100,202.52	109,828.73	208.30	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	03/20/39	142,421.20	154,935.07			(505.58)		141,915.64	154,638.05	208.54	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	02/20/39	71,947.56	78,269.17			(253.58)		71,693.98	78,121.03	105.44	0.00
GNMA	2006 FGH Single Family	5.70	01/14/09	12/20/38	86,038.64	72,428.27			(215.73)		65,822.91	72,761.54	549.00	0.00
GNMA	2006 FGH Single Family	5.15	01/14/09	12/20/38	141,416.47	153,820.59			(499.06)		140,917.41	153,565.82	244.29	0.00
GNMA	2006 FGH Single Family	5.15	05/20/09	05/20/39	286,241.88	311,407.16			(1,359.99)		284,881.69	310,435.43	388.26	0.00
GNMA	2006 FGH Single Family	5.15	07/29/09	07/20/39	232,171.43	252,602.90			(781.05)		231,390.38	252,165.37	343.52	0.00
GNMA	2006 FGH Single Family	6.00	07/29/09	07/20/39	388,216.66	428,059.65			(1,126.15)		387,090.51	430,764.94	3,831.44	0.00
GNMA	2006 FGH Single Family	6.00	08/12/09	09/20/39	307,287.51	336,829.14			(384.73)		306,902.78	340,977.91	2,033.50	0.00
GNMA	2006 FGH Single Family	5.49	08/12/09	07/20/39	131,020.15	143,448.38			(726.77)		130,293.38	142,963.80	242.19	0.00
GNMA	2006 FGH Single Family	6.00	08/19/09	07/20/39	428,081.95	472,026.86			(1,556.80)		426,525.05	478,769.30	6,299.34	0.00
GNMA	2006 FGH Single Family	5.49	08/19/09	07/20/39	116,206.69	127,230.65			(370.37)		115,836.32	127,101.75	241.47	0.00
GNMA	2006 FGH Single Family	6.00	08/27/09	07/20/39	71,902.09	79,708.43			(205.85)		71,696.44	80,211.04	707.26	0.00
GNMA	2006 FGH Single Family	5.25	08/27/09	08/20/39	134,583.31	146,668.86			(442.95)		134,140.36	146,448.01	222.10	0.00
GNMA	2006 FGH Single Family	5.15	08/27/09	08/20/39	78,548.24	85,463.39			(262.15)		78,286.09	85,317.63	116.39	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	1,008,788.72	1,084,550.29			(48,284.48)		960,504.24	1,055,721.15	19,455.34	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	64,586.25	69,655.17			(241.39)		64,344.86	70,783.97	1,370.19	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	155,365.68	166,629.14			(1,332.15)		154,033.53	167,886.82	2,569.83	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,068,933.54	1,151,142.04			(4,821.88)		1,064,111.66	1,166,476.11	20,155.95	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	87,546.20	94,121.72			(383.99)		87,162.21	95,736.05	1,988.32	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	994,962.73	994,438.85			(191,653.31)		733,305.42	803,854.11	1,068.57	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	204,172.56	218,530.44			(1,009.14)		203,163.42	220,504.03	2,982.73	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	2,146,340.27	2,307,570.75			(227,242.83)		1,909,097.44	2,092,286.58	21,958.67	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	117,666.77	126,717.06			(491.59)		117,175.18	128,447.99	2,222.52	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	329,102.80	352,249.94			(1,466.00)		327,636.80	355,625.26	4,841.32	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,193,894.70	1,283,586.37			(17,248.67)		1,176,646.03	1,289,404.98	23,067.28	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	80,689.94	86,751.79			(310.29)		80,379.65	88,051.02	1,609.52	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	107,314.91	115,096.60			(580.17)		106,734.74	115,877.12	1,360.69	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	449,215.64	484,484.03			(2,072.60)		447,143.04	492,458.20	10,047.77	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	409,423.34	438,224.16			(1,878.78)		407,544.56	442,511.06	5,965.68	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,110,391.38	2,288,957.92			(88,598.80)		2,021,792.58	2,215,828.92	35,469.80	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	355,847.58	384,814.06			(1,400.71)		354,446.87	390,749.30	7,335.95	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	32,524.67	35,080.54			(195.70)		32,330.89	35,665.56	780.71	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	220,878.17	236,417.00			(1,012.12)		219,866.05	238,702.80	3,297.92	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	631,503.92	678,957.46			(2,753.04)		628,750.88	689,338.49	13,134.07	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	204,797.25	220,186.57			(960.85)		203,836.70	223,542.24	4,316.32	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	289,308.87	320,367.89			(2,847.52)		286,461.35	322,371.75	4,851.38	0.00
FNMA	2006 FGH Single Family	5.49	05/08/07	05/01/37	121,915.17	131,077.23			(460.13)		121,455.04	133,003.58	2,386.48	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	278,837.04	299,793.18			(1,074.10)		277,762.94	304,281.26	5,562.18	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	224,518.70	242,150.28			(876.93)		223,641.77	246,127.47	4,854.12	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37	452,875.76	496,458.04			(143,058.85)		319,816.81	347,204.37	(6,194.72)	0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37	540,954.11	583,444.32			(2,404.05)		538,550.05	592,554.57	11,514.31	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	599,563.56	644,633.78			(108,947.44)		490,616.12	537,527.35	1,841.01	0.00
FNMA	2006 FGH Single Family	5.70	07/03/07	06/01/37	532,287.82	574,100.18			(2,150.15)		530,137.67	583,227.57	11,277.54	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	619,580.90	666,158.54			(2,388.14)		617,192.76	675,974.02	12,203.62	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	281,512.46	302,675.76			(67,517.95)		213,994.51	234,622.95	(534.86)	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	377,002.20	403,540.19			(111,403.64)		285,598.56	288,212.31	(3,924.24)	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37	913,983.21	990,236.21			(3,412.33)		910,550.98	1,006,245.71	18,421.83	0.00
FNMA	2006 FGH Single Family	5.15	08/07/07	06/01/37	89,990.05	96,761.56			(353.33)		89,636.72	97,700.22	1,292.00	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	811,694.36	876,680.64			(234,861.85)		576,832.51	634,614.77	(7,204.02)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	87,889.40	94,904.45			(323.74)		87,545.66	96,281.69	1,700.98	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	459,716.19	496,529.22			(2,045.71)		457,670.48	503,758.19	9,274.68	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37	177,525.40	182,342.54			(674.32)		176,851.08	195,539.21	3,870.98	0.00
FNMA	2006 FGH Single Family	5.15	09/11/07	08/01/37	560,593.37	602,797.10			(136,849.46)		423,743.81	461,849.26	(4,098.38)	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	419,190.81	452,766.67			(2,169.39)		417,021.22	461,170.29	10,573.01	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	149,198.93	161,149.37			(551.59)		148,647.34	163,503.87	2,906.08	0.00
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37	275,035.35	288,001.68			(1,443.19)		273,592.16	302,514.07	5,955.58	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	524,423.83	566,435.65			(2,006.92)		522,416.91	574,904.97	10,476.24	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	347,318.63	375,142.48			(113,316.58)		234,002.05	257,798.30	(4,027.60)	0.00
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37	231,930.27	249,393.93			(1,127.80)		230,802.37	251,616.05	3,350.02	0.00
FNMA	2006 FGH Single Family				86,210.62	93,603.57			(86,210.62)				(7,392.95)	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37	307,640.97	334,026.30			(1,560.10)		306,080.87	336,878.56	4,412.36	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37	957,283.88	1,034,362.17			(4,852.73)		952,431.15	1,038,552		

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	252,218.47	273,858.14			(940.72)		251,277.75	276,439.40	3,521.99	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	224,981.21	244,283.99			(1,331.14)		223,650.07	246,616.18	3,663.33	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37	80,598.45	87,513.32			(292.74)		80,305.71	88,324.96	1,104.38	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37	481,646.18	523,913.49			(2,110.07)		479,536.11	529,849.00	8,045.58	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	05/01/37	132,667.23	144,049.28			(497.97)		132,169.26	145,403.41	1,852.10	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	10/01/37	385,939.99	419,056.80			(1,482.83)		384,457.13	423,157.22	5,583.25	0.00
FNMA	2006 FGH Single Family	5.70	11/28/07	10/01/37	99,358.23	108,078.16			(408.50)		98,949.73	109,483.99	1,794.33	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	11/01/37	796,318.18	862,624.49			(3,218.73)		793,099.45	866,687.72	7,281.96	0.00
FNMA	2006 FGH Single Family	5.49	12/11/07	11/01/37	552,451.40	599,868.42			(2,110.10)		550,341.30	605,678.97	7,920.65	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	12/01/37	217,805.33	235,350.51			(1,147.20)		216,658.13	236,290.68	2,087.37	0.00
FNMA	2006 FGH Single Family	5.70	12/11/07	11/01/37	320,774.86	348,931.81			(1,112.03)		319,662.83	353,008.61	5,188.83	0.00
FNMA	2006 FGH Single Family	5.49	12/20/07	10/01/37	147,723.34	160,403.27			(534.13)		147,189.21	161,890.62	2,021.48	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	12/01/37	213,486.88	230,667.45			(818.70)		212,668.18	231,809.40	1,940.65	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	11/01/37	211,412.76	228,445.75			(805.05)		210,607.71	229,558.54	1,917.84	0.00
FNMA	2006 FGH Single Family	5.70	12/28/07	12/01/37	119,258.74	129,729.11			(410.43)		118,848.31	131,245.88	1,927.20	0.00
FNMA	2006 FGH Single Family	5.49	12/28/07	01/01/36	83,464.70	90,773.45			(346.86)		83,117.84	91,624.34	1,197.75	0.00
FNMA	2006 FGH Single Family	5.49	01/16/08	12/01/37	225,978.11	245,381.77			(1,474.51)		224,503.60	248,447.59	4,540.33	0.00
FNMA	2006 FGH Single Family	5.15	01/16/08	01/01/38	261,922.72	283,031.17			(992.62)		260,930.09	284,409.77	2,371.23	0.00
FNMA	2006 FGH Single Family	5.49	01/30/08	12/01/37	149,097.90	161,902.19			(59,714.12)		89,383.78	98,315.40	(3,872.67)	0.00
FNMA	2006 FGH Single Family	5.70	01/30/08	12/01/37	103,339.36	112,415.27			(355.45)		102,983.91	113,729.69	1,689.87	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	11/01/37	112,313.93	121,386.08			(430.89)		111,883.04	121,956.17	1,020.99	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	01/01/38	294,119.34	317,826.05			(1,115.33)		293,004.01	319,373.71	2,662.99	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	273,356.54	296,836.16			(2,561.11)		270,795.43	299,053.19	4,778.14	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	59,607.21	64,728.91			(223.31)		59,383.90	65,317.58	311.98	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	219,207.81	238,043.03			(794.08)		218,413.73	240,235.60	2,986.65	0.00
FNMA	2006 FGH Single Family	5.70	02/13/08	02/01/38	169,309.41	183,949.80			(592.61)		168,716.80	186,324.64	2,967.45	0.00
FNMA	2006 FGH Single Family	5.15	02/19/08	12/01/37	131,765.46	142,388.23			(555.50)		131,209.96	143,122.54	1,289.81	0.00
FNMA	2006 FGH Single Family	5.49	02/27/08	12/01/37	263,385.17	286,010.90			(69,544.18)		193,840.99	213,471.83	(2,984.89)	0.00
FNMA	2006 FGH Single Family	5.15	03/12/08	02/01/38	143,741.96	155,167.03			(537.45)		143,204.51	156,094.09	1,464.51	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	12/01/37	226,601.39	256,931.24			(1,258.80)		225,342.59	259,354.51	3,682.07	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	405,105.52	439,916.20			(1,529.62)		403,575.90	444,095.06	5,708.48	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	209,630.01	227,649.85			(744.49)		208,885.52	228,762.83	2,857.47	0.00
FNMA	2006 FGH Single Family	5.15	03/27/08	03/01/38	228,621.28	247,061.92			(910.14)		227,711.14	248,263.62	2,111.84	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	01/01/38	124,465.53	135,166.39			(442.13)		124,023.40	136,420.86	1,696.60	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	03/01/38	195,127.38	211,904.40			(737.38)		194,389.98	213,828.29	2,661.27	0.00
FNMA	2006 FGH Single Family	5.15	04/17/08	03/01/38	119,228.64	128,709.47			(479.95)		118,748.69	129,440.15	1,210.63	0.00
FNMA	2006 FGH Single Family				100,574.34	109,415.13			(100,574.34)				(8,840.79)	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	02/01/38	182,260.64	197,833.20			(649.72)		181,610.82	199,767.89	2,484.41	0.00
Repo Agrmt	2006 FGH Single Family				29,388.90	29,388.90			(29,388.90)				-	0.00
Repo Agrmt	2006 FGH Single Family Total				102,458,888.75	110,733,344.59	1,556,938.92	(4,156,445.72)	(5,425,119.76)	0.00	94,434,262.19	103,000,250.58	291,532.55	0.00
Repo Agrmt	2007A Single Family	0.20	11/30/10	12/01/10	12,262,725.35	12,262,725.35					821,444.43	821,444.43	-	0.00
Inv Agrmt	2007A Single Family	4.32	10/01/07	09/01/38	926,375.37	926,375.37	4,183,912.61		(11,441,280.92)		5,110,287.98	5,110,287.98	-	0.00
Freddie Mac	2007A Single Family	4.75	05/07/08	04/01/38	261,939.61	278,860.05			(1,041.77)		260,897.84	280,507.89	2,689.61	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	01/01/38	163,748.41	176,242.03			(1,091.05)		162,657.36	178,446.06	3,285.11	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	03/01/38	201,667.26	217,054.88			(744.27)		200,922.99	219,890.58	3,579.97	0.00
Freddie Mac	2007A Single Family	5.49	05/28/08	03/01/38	263,139.60	283,221.68			(1,055.43)		262,084.17	286,956.28	4,790.03	0.00
Freddie Mac	2007A Single Family	4.75	06/18/08	05/01/38	314,340.26	334,655.73			(2,243.73)		312,096.53	336,171.82	3,759.82	0.00
Freddie Mac	2007A Single Family	5.49	06/18/08	05/01/38	358,569.73	385,941.38			(1,416.90)		357,152.83	390,834.69	6,310.21	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	06/01/38	316,055.81	340,184.53			(1,343.55)		314,712.26	344,384.27	5,543.29	0.00
Freddie Mac	2007A Single Family	4.75	06/25/08	05/01/38	74,887.09	79,774.89			(310.26)		74,576.83	80,203.06	738.45	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	06/01/38	134,644.77	144,926.03			(468.80)		134,175.97	146,817.74	2,360.51	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	05/01/38	214,892.69	231,301.09			(756.61)		214,136.08	234,322.06	3,777.58	0.00
Freddie Mac	2007A Single Family	5.49	07/23/08	06/01/38	152,294.59	163,924.39			(526.86)		151,767.73	166,064.73	2,667.20	0.00
Freddie Mac	2007A Single Family	4.75	07/23/08	07/01/38	163,269.13	173,825.77			(644.71)		162,624.42	174,853.00	1,671.94	0.00
Freddie Mac	2007A Single Family	5.49	08/13/08	07/01/38	136,866.00	147,319.99			(475.98)		136,390.02	148,243.55	2,389.54	0.00
Freddie Mac	2007A Single Family	5.49	08/20/08	04/01/38	188,016.51	202,380.67			(658.30)		187,361.21	205,022.97	3,301.60	0.00
Freddie Mac	2007A Single Family	5.49	09/17/08	07/01/38	25,315.15	27,249.41			(86.88)		25,228.27	27,247.09	84.56	0.00
Freddie Mac	2007A Single Family	5.49	10/08/08	08/01/38	112,075.54	120,640.86			(382.65)		111,692.89	122,215.99	1,957.78	0.00
Freddie Mac	2007A Single Family	5.49	10/22/08	08/01/38	128,867.25	138,717.13			(439.40)		128,427.85	140,528.90	2,251.17	0.00
Freddie Mac	2007A Single Family				82,476.47	87,819.48			(82,476.47)				(5,343.01)	0.00
FNMA	2007A Single Family	6.25	02/20/08	01/01/28	73,276.09	80,041.75			(1,438.08)		71,838.01	79,822.88	1,219.21	0.00
FNMA	2007A Single Family	6.25	03/27/08	03/01/28	172,708.93	191,080.05			(1,330.35)		171,378.58	191,337.39	1,879.69	0.00
FNMA	2007A Single Family	6.25	06/29/08	05/01/28	41,963.33	46,427.00			(4,140.60)		37,822.73	42,227.60	(56.80)	0.00
GNMA	2007A Single Family	6.25	02/20/08	01/20/28	957,084.50	1,070,154.35			(9,765.25)		947,319.24	1,079,403.90	19,014.81	0.00
FNMA	2007A Single Family	6.25	11/30/08	09/01/28	187,618.85	218,639.60			(1,594.59)		186,024.27	218,853.28	1,899.27	0.00
GNMA	2007A Single Family	6.25	03/27/08	03/20/28	2,080,137.24	2,337,068.07			(42,424.46)		2,047,712.78	2,333,225.31	35,593.70	0.00
GNMA	2007A Single Family	6.25	05/19/08	05/20/28	1,216,817.08	1,360,571.83			(11,848.00)		1,204,969.03	1,372,863.97	24,240.14	0.00
GNMA	2007A Single Family	5.45	07/28/00	06/20/30	966,495.25	1,051,972.03			(7,795.31)		958,701.94	1,045,167.22	988.50	0.00
GNMA	2007A Single Family	6.25	08/14/08	07/20/28	734,355.19	821,111.94			(7,726.84)		726,628.35	827,942.15	14,557.05	0.00
GNMA	2007A Single Family	6.25	06/29/08	06/20/28	418,589.35	468,041.50			(3,399.35)		415,190.00	473,079.95	8,437.80	0.00
GNMA	2007A Single Family	6.25	09/18/08	08/20/28	504,351.60	563,935.69			(4,800.58)		499,551.02	599,203.42	10,068.31	0.00
FNMA	2007A Single Family	6.25	03/31/08	11/01/28	101,507.72	112,747.55			(1,960.82)		99,546.90	111,586.53	799.90	0.00
GNMA	2007A Single Family	6.25	11/30/08	11/20/28	458,508.59	513,794.92			(3,633.73)		454,874.86	519,430.85	9,275.46	0.00
GNMA	2007A Single Family	6.25	11/30/08	10/20/28	340,803.71	380,842.54			(3,109.40)		337,694.31	384,551.05	6,817.91	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2007A Single Family	6.25	05/27/99	11/01/28	49,729.92	54,321.47			(1,181.04)		48,548.88	53,945.08	804.65	0.00
GNMA	2007A Single Family	6.25	02/16/99	02/20/29	798,621.88	892,316.18			(8,259.48)		790,362.41	900,040.99	15,984.29	0.00
GNMA	2007A Single Family	6.25	03/1/99	02/20/29	52,639.79	58,815.50			(1,017.93)		51,621.86	58,785.43	987.86	0.00
GNMA	2007A Single Family	6.25	05/27/99	05/20/29	257,925.03	288,184.79			(2,661.28)		255,263.75	290,696.71	5,163.20	0.00
GNMA	2007A Single Family	5.45	07/30/99	07/20/29	504,819.06	549,571.23			(4,461.38)		500,357.68	545,568.96	460.11	0.00
GNMA	2007A Single Family	5.45	08/26/99	08/20/29	626,085.53	681,587.98			(6,053.58)		620,031.95	676,058.00	523.60	0.00
FNMA	2007A Single Family	5.45	09/20/99	08/01/29	97,167.96	104,931.40			(702.97)		96,464.99	104,464.56	236.13	0.00
GNMA	2007A Single Family	5.45	09/20/99	09/20/29	301,651.57	326,392.98			(9,099.59)		292,551.98	318,996.98	(306.41)	0.00
FNMA	2007A Single Family	5.45	12/20/99	12/01/29	255,497.98	275,909.71			(2,815.50)		252,682.08	273,634.48	540.67	0.00
FNMA	2007A Single Family	5.45	01/19/00	12/01/29	240,927.61	260,175.33			(2,962.35)		237,965.26	257,697.35	484.37	0.00
GNMA	2007A Single Family	5.45	10/28/99	10/20/29	801,862.10	872,947.10			(7,175.43)		794,686.67	866,494.51	722.84	0.00
GNMA	2007A Single Family	5.45	11/18/99	11/20/29	113,981.06	124,085.45			(1,334.46)		112,646.60	122,825.32	74.33	0.00
GNMA	2007A Single Family	5.45	12/30/99	12/20/29	1,969,562.99	2,144,164.75			(18,277.21)		1,951,285.78	2,127,603.94	1,716.40	0.00
GNMA	2007A Single Family	5.45	01/28/00	01/20/30	540,922.37	588,761.59			(4,047.35)		536,875.02	585,285.83	581.59	0.00
GNMA	2007A Single Family	5.45	02/22/00	01/20/30	292,086.42	317,918.48			(2,114.00)		289,972.42	316,124.96	320.48	0.00
GNMA	2007A Single Family	5.45	03/27/00	02/20/30	396,396.48	433,630.72			(3,259.44)		393,137.04	430,774.50	403.22	0.00
FNMA	2007A Single Family	5.45	04/27/00	03/01/30	228,721.74	247,035.49			(1,682.29)		227,039.45	245,504.56	151.36	0.00
GNMA	2007A Single Family	5.45	04/27/00	04/20/30	444,160.32	483,441.84			(3,290.48)		440,869.84	480,631.88	480.52	0.00
GNMA	2007A Single Family	5.45	05/30/00	04/20/30	89,279.73	97,175.66			(625.52)		88,654.21	96,649.98	99.82	0.00
GNMA	2007A Single Family	5.45	06/21/00	05/20/30	470,776.11	512,411.52			(3,625.79)		467,150.32	509,282.59	496.86	0.00
GNMA	2007A Single Family	5.45	09/18/00	09/20/30	770,518.74	838,663.38			(5,589.29)		764,929.45	833,918.41	844.32	0.00
FNMA	2007A Single Family	5.45	07/24/00	06/01/30	136,083.24	136,178.69			(2,537.71)		133,545.53	133,593.45	(47.53)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	401,313.81	438,578.54			(1,506.11)		399,807.70	437,696.75	624.32	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	167,700.64	181,679.06			(688.58)		167,012.06	180,541.67	(448.81)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	301,744.09	330,333.57			(1,096.79)		300,647.30	329,701.36	464.58	0.00
GNMA	2007A Single Family	4.75	09/25/07	08/20/37	218,754.67	236,930.41			(1,017.57)		217,737.10	235,318.60	(594.24)	0.00
GNMA	2007A Single Family	5.49	09/25/07	09/20/37	1,694,681.82	1,789,129.61			(139,923.93)		1,494,757.89	1,638,814.54	(10,391.14)	0.00
GNMA	2007A Single Family	4.75	09/25/07	09/20/37	4,827,392.72	5,228,503.55			(168,889.62)		4,658,503.10	5,034,676.03	(24,937.90)	0.00
GNMA	2007A Single Family	5.49	09/25/07	08/20/37	130,884.41	143,250.17			(479.08)		130,405.33	142,972.65	201.56	0.00
GNMA	2007A Single Family	5.49	10/09/07	09/20/37	740,578.44	810,708.64			(2,735.43)		737,843.01	809,110.14	1,136.93	0.00
GNMA	2007A Single Family	4.75	10/09/07	09/20/37	1,538,241.50	1,686,381.61			(7,133.57)		1,531,107.93	1,655,067.32	(4,180.72)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	356,357.98	382,273.80			(2,387.62)		353,970.36	390,333.26	447.08	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	1,276,391.08	1,397,191.60			(5,907.05)		1,270,484.03	1,393,127.65	1,843.10	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	2,759,839.45	2,989,594.25			(170,375.00)		2,589,464.45	2,798,967.53	(20,251.72)	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37	372,278.54	406,685.31			(1,335.80)		370,942.74	408,900.22	550.71	0.00
GNMA	2007A Single Family	5.49	09/11/07	08/20/37	365,074.84	401,755.74			(1,315.10)		363,759.74	400,980.17	539.53	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37	4,332,687.96	4,707,381.40			(18,770.28)		4,313,917.58	4,676,639.18	(11,971.94)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	462,733.29	501,303.67			(2,417.33)		460,315.96	497,606.05	(1,280.29)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	317,189.61	346,642.83			(1,170.83)		316,018.78	345,967.30	495.30	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	895,775.01	980,647.37			(3,426.64)		892,348.37	978,583.42	1,362.69	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	130,516.96	141,395.99			(534.78)		129,982.18	140,512.01	(349.20)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	181,344.11	636,439.77			(3,985.71)		577,358.40	633,168.73	714.67	0.00
GNMA	2007A Single Family	4.75	12/11/07	11/20/37	1,229,565.88	1,332,085.31			(5,136.13)		1,224,429.75	1,323,652.62	(3,296.56)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	545,477.07	597,143.31			(1,974.47)		543,502.60	596,010.11	841.27	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,372,525.88	1,489,933.32			(5,179.02)		1,367,346.86	1,496,888.46	2,134.16	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37	923,486.94	1,000,432.39			(3,866.29)		919,620.65	994,088.79	(2,477.31)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,113,007.09	1,218,428.36			(203,608.29)		909,398.80	997,255.36	(17,564.71)	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37	1,160,358.80	1,257,044.33			(126,914.96)		1,033,443.84	1,117,133.53	(12,895.84)	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37	366,238.58	396,761.03			(1,509.90)		364,728.08	394,270.91	(980.22)	0.00
GNMA	2007A Single Family	4.75	12/28/07	12/20/37	394,053.79	426,918.07			(131,870.98)		262,182.81	283,434.78	(11,612.31)	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	131,502.80	143,968.61			(670.39)		130,832.41	143,482.22	184.00	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	132,499.38	145,059.66			(472.53)		132,026.85	144,792.15	205.02	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	431,829.92	472,755.68			(2,188.00)		429,641.92	471,173.23	605.55	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	393,581.43	430,882.27			(2,141.72)		391,439.71	429,278.21	537.66	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	1,517,095.00	1,643,593.21			(6,311.70)		1,510,783.30	1,633,216.09	(4,065.42)	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	118,437.94	128,313.52			(695.84)		117,742.10	127,283.84	(333.84)	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	462,219.27	500,764.53			(160,739.57)		301,479.70	325,914.35	(14,110.61)	0.00
GNMA	2007A Single Family	5.49	12/20/07	12/20/37	218,750.40	239,484.91			(784.61)		217,965.79	239,038.34	338.04	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	238,310.49	258,183.61			(962.12)		237,348.37	256,585.24	(636.25)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	294,020.75	318,467.61			(162,936.09)		131,084.66	141,649.00	(13,882.52)	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	184,025.61	201,476.22			(657.85)		183,367.56	201,102.73	284.36	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	48,390.49	52,968.32			(173.39)		48,207.13	52,886.66	74.73	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	286,611.43	310,442.22			(1,150.36)		285,461.07	308,486.86	(625.00)	0.00
GNMA	2007A Single Family	4.75	01/16/08	01/20/38	504,681.56	546,636.42			(2,090.88)		502,590.68	543,087.62	(1,457.92)	0.00
GNMA	2007A Single Family	5.49	01/16/08	12/20/37	184,152.99	212,561.81			(914.68)		183,238.31	211,925.82	278.69	0.00
GNMA	2007A Single Family	4.75	01/30/08	12/20/37	87,820.79	105,991.13			(385.00)		87,435.79	105,324.83	(261.30)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	288,555.64	312,548.10			(1,183.25)		287,372.39	310,532.22	(632.63)	0.00
GNMA	2007A Single Family	5.49	01/30/08	01/20/38	299,274.53	326,341.19			(1,056.34)		297,218.19	325,916.15	631.30	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	263,767.93	310,699.88			(1,050.95)		262,736.98	310,084.03	435.00	0.00
GNMA	2007A Single Family	5.49	02/19/08	02/20/38	221,339.72	242,172.71			(847.21)		220,492.51	241,787.82	462.32	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	51,980.96	58,910.40			(200.37)		51,780.59	56,786.94	78.91	0.00
GNMA	2007A Single Family	5.49	02/13/08	01/20/38	89,143.36	97,532.84			(315.15)		88,828.21	97,406.32	188.63	0.00
GNMA	2007A Single Family	4.75	02/13/08	01/20/38	153,967.77	166,772.04			(1,583.17)		152,384.60	164,667.70	(521.17)	0.00
GNMA	2007A Single Family	4.75	02/13/08	12/20/37	92,645.00	101,459.86	</							

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2007A Single Family	4.75	04/08/08	03/20/38	346,734.04	374,712.29			(1,376.35)		345,357.69	372,345.63	(990.31)	0.00
GNMA	2007A Single Family	4.75	04/08/08	04/20/38	106,984.05	98,763.73			(991.69)		98,372.04	106,308.28	(284.08)	0.00
GNMA	2007A Single Family	5.49	03/12/08	03/20/38	282,196.21	308,764.95			(47,392.48)		234,803.73	257,487.47	(3,885.00)	0.00
GNMA	2007A Single Family	5.49	03/20/08	01/20/38	171,262.38	187,387.28			(613.63)		170,648.75	187,135.04	361.39	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	122,598.19	132,794.91			(489.21)		122,108.98	131,993.02	(352.68)	0.00
GNMA	2007A Single Family	4.75	02/19/08	12/20/37	111,060.18	120,329.10			(456.88)		110,603.30	119,574.85	(297.37)	0.00
GNMA	2007A Single Family	5.49	02/19/08	01/20/38	336,872.63	368,578.70			(1,407.67)		335,464.96	367,862.80	691.87	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	215,720.85	233,662.76			(61,829.38)		153,891.47	166,297.71	(5,535.67)	0.00
GNMA	2007A Single Family	5.49	02/19/08	10/20/37	144,448.35	158,149.00			(519.51)		143,928.84	157,852.25	222.76	0.00
GNMA	2007A Single Family	4.75	02/27/08	02/20/38	96,769.95	104,819.34			(386.11)		96,383.84	104,154.84	(278.39)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	212,937.48	232,981.51			(111,817.63)		101,119.85	110,886.87	(10,276.91)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	170,202.43	186,223.77			(600.97)		168,601.46	185,983.18	360.38	0.00
GNMA	2007A Single Family	4.75	03/20/08	12/20/37	113,891.10	123,400.16			(459.57)		113,431.53	122,636.22	(304.37)	0.00
GNMA	2007A Single Family	5.49	03/27/08	03/20/38	408,203.15	446,642.20			(1,432.81)		406,770.34	446,074.08	864.69	0.00
GNMA	2007A Single Family	5.49	03/27/08	02/20/38	176,834.48	193,485.78			(625.23)		176,209.26	193,234.71	374.16	0.00
GNMA	2007A Single Family	4.75	04/15/08	03/20/38	193,006.13	209,071.28			(768.28)		192,237.85	207,747.84	(555.37)	0.00
GNMA	2007A Single Family	4.75	04/15/08	02/20/38	112,010.81	121,333.95			(449.54)		111,561.27	120,561.82	(322.59)	0.00
GNMA	2007A Single Family	5.49	04/15/08	03/20/38	99,144.50	108,482.67			(51,709.40)		47,435.10	52,019.46	(4,753.81)	0.00
GNMA	2007A Single Family	5.49	04/24/08	04/20/38	377,907.62	413,506.79			(1,332.08)		376,575.54	412,974.66	799.95	0.00
GNMA	2007A Single Family	4.75	04/24/08	04/20/38	194,869.37	211,092.17			(777.88)		194,091.49	208,753.37	(560.92)	0.00
GNMA	2007A Single Family	4.75	04/22/08	03/20/38	153,559.30	166,342.22			(613.61)		152,945.69	165,286.55	(442.06)	0.00
GNMA	2007A Single Family	5.49	04/22/08	04/20/38	95,369.96	104,353.67			(333.05)		95,036.91	104,222.80	202.18	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	252,242.40	276,007.45			(880.48)		251,361.94	275,681.77	534.78	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	158,058.72	172,950.24			(551.67)		157,507.05	172,733.67	335.10	0.00
GNMA	2007A Single Family	4.75	05/07/08	05/20/38	338,064.03	366,213.68			(1,334.83)		336,729.20	363,906.91	(971.94)	0.00
GNMA	2007A Single Family	5.49	05/14/08	04/20/38	137,610.54	150,576.60			(3,394.98)		134,215.56	147,191.59	9.97	0.00
GNMA	2007A Single Family	4.75	05/14/08	05/20/38	275,307.71	298,233.91			(1,094.60)		274,213.11	296,347.16	(792.15)	0.00
GNMA	2007A Single Family	4.75	05/21/08	05/20/38	136,078.70	147,411.67			(879.46)		135,199.24	146,113.35	(418.86)	0.00
GNMA	2007A Single Family	5.49	05/28/08	05/20/38	344,019.87	376,440.88			(1,195.63)		342,824.24	375,975.10	729.85	0.00
GNMA	2007A Single Family	5.49	05/28/08	04/20/38	147,696.00	161,614.84			(527.55)		147,168.45	161,399.05	311.96	0.00
GNMA	2007A Single Family	4.75	05/28/08	04/20/38	30,582.66	33,129.81			(124.85)		30,457.83	32,916.71	(88.25)	0.00
GNMA	2007A Single Family	5.49	06/11/08	05/20/38	306,937.42	335,866.48			(1,236.63)		305,701.79	335,267.68	634.83	0.00
GNMA	2007A Single Family	5.49	07/09/08	07/20/38	227,266.75	248,696.58			(906.91)		226,459.84	248,370.41	480.74	0.00
GNMA	2007A Single Family	5.49	07/09/08	06/20/38	184,651.69	202,062.73			(635.26)		184,016.43	201,819.87	392.35	0.00
GNMA	2007A Single Family	4.75	07/09/08	06/20/38	230,448.41	249,653.87			(942.76)		229,505.65	248,045.79	(665.32)	0.00
GNMA	2007A Single Family	4.75	07/16/08	06/20/38	165,989.29	179,824.02			(663.93)		165,325.36	178,662.09	(478.00)	0.00
GNMA	2007A Single Family	5.49	07/16/08	05/20/38	112,656.49	123,279.66			(468.91)		112,187.58	123,042.26	231.51	0.00
GNMA	2007A Single Family	5.49	06/18/08	05/20/38	239,256.73	261,810.25			(839.46)		238,417.27	261,477.61	506.82	0.00
GNMA	2007A Single Family	4.75	06/18/08	04/20/38	112,285.51	121,640.13			(442.62)		111,842.89	120,874.58	(322.93)	0.00
GNMA	2007A Single Family	5.49	06/18/08	06/20/38	80,546.84	88,139.85			(277.16)		80,269.68	88,033.83	171.14	0.00
GNMA	2007A Single Family	5.49	06/25/08	06/20/38	103,039.79	112,753.97			(354.94)		102,684.85	112,617.94	218.91	0.00
GNMA	2007A Single Family	5.49	07/23/08	06/20/38	105,737.94	115,775.42			(370.77)		105,427.17	115,628.80	224.15	0.00
GNMA	2007A Single Family	4.75	07/23/08	07/20/38	118,903.53	128,815.10			(463.07)		118,440.46	128,010.62	(341.41)	0.00
GNMA	2007A Single Family	4.75	08/27/08	08/20/38	77,672.75	84,150.64			(301.64)		77,371.11	83,626.03	(222.97)	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	289,018.42	316,283.19			(5,010.81)		284,007.61	311,498.04	225.66	0.00
GNMA	2007A Single Family	4.75	08/13/08	07/20/38	71,350.07	77,289.31			(287.02)		71,063.05	76,806.68	(205.61)	0.00
GNMA	2007A Single Family	4.75	08/13/08	06/20/38	268,212.37	290,576.63			(158,621.22)		109,591.15	118,448.55	(13,505.86)	0.00
GNMA	2007A Single Family	4.75	08/20/08	08/20/38	289,512.00	314,088.04			(1,129.88)		288,782.12	312,125.93	(632.23)	0.00
GNMA	2007A Single Family	4.75	08/27/08	07/20/38	915,811.82	992,187.29			(4,478.86)		911,332.96	985,004.89	(2,703.54)	0.00
GNMA	2007A Single Family	5.49	08/27/08	08/20/38	88,395.20	96,735.49			(399.32)		87,995.87	96,514.76	178.60	0.00
GNMA	2007A Single Family	5.49	09/10/08	07/20/38	278,468.00	304,745.81			(72,762.07)		205,705.93	225,623.10	(6,360.64)	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	198,150.24	216,852.33			(122,027.84)		76,122.40	83,494.19	(11,330.30)	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	28,612.14	31,312.65			(102.14)		28,510.00	31,270.95	60.44	0.00
GNMA	2007A Single Family	5.49	09/24/08	09/20/38	84,343.29	92,304.17			(291.28)		84,052.01	92,192.00	179.11	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	330,401.94	361,595.16			(1,866.07)		328,535.87	360,380.44	631.35	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	102,811.19	112,517.59			(1,456.06)		101,355.13	111,173.19	111.66	0.00
GNMA	2007A Single Family	4.75	10/22/08	09/20/38	256,004.24	277,371.47			(967.64)		255,036.60	275,649.37	(734.46)	0.00
GNMA	2007A Single Family	5.49	10/22/08	09/20/38	341,094.35	373,298.68			(1,175.49)		339,918.86	372,848.72	724.53	0.00
GNMA	2007A Single Family	5.49	10/29/08	09/20/38	125,662.03	137,516.92			(421.43)		125,240.60	137,363.37	267.88	0.00
GNMA	2007A Single Family	4.75	10/29/08	10/20/38	232,944.54	252,389.67			(1,378.52)		231,566.02	250,303.98	(707.17)	0.00
GNMA	2007A Single Family	4.75	11/25/08	11/20/38	97,538.46	105,683.62			(369.23)		97,169.18	105,035.15	(279.19)	0.00
GNMA	2007A Single Family	5.49	12/10/08	09/20/38	155,789.28	170,507.24			(578.37)		155,210.91	170,255.85	326.88	0.00
GNMA	2007A Single Family	4.75	12/10/08	11/20/38	76,396.79	82,745.30			(346.19)		76,050.60	82,175.81	(223.30)	0.00
GNMA	2007A Single Family	4.75	12/17/08	11/20/38	110,231.82	119,439.74			(417.36)		109,814.46	118,706.72	(315.66)	0.00
GNMA	2007A Single Family	4.75	12/30/08	12/20/38	331,511.73	359,209.12			(1,480.58)		330,031.15	356,781.29	(967.25)	0.00
GNMA	2007A Single Family	4.75	12/30/08	11/20/38	186,222.52	201,762.07			(707.58)		185,515.94	200,540.99	(533.50)	0.00
GNMA	2007A Single Family	5.49	01/14/09	12/20/38	199,660.16	218,532.17			(795.99)		198,864.17	218,149.79	413.61	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	79,955.06	86,636.61			(305.75)		79,649.31	86,101.63	(229.23)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	518,167.20	564,691.73			(2,210.98)		515,956.21	563,289.88	809.14	0.00
GNMA	2007A Single Family				79,344.81	86,851.75			(79,344.81)				(7,506.94)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	395,063.58	430,556.83			(134,285.77)		260,797.81	284,723.32	(11,547.74)	0.00
GNMA	2007A Single Family	5.15	01/21/09	01/20/39	256,515.83	279,031.21			(89,814.75)		166,701.06	181,630.01	(7,586.45)	0.00
GNMA	2007A Single Family	4.75	01/21/09	12/20/38	95,978.17	103,999.44			(361.18)		95,616.99	103,363.57	(274.69)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	608,985.79	663,664.82			(2,101.66)		606,884.73	662,560.16	986.60	0.00
GNMA	2007A Single Family	4.75	01/21/09	01/20/39	116,701.81	126,513.14			(436.63)		116,265.18	125,664.88	(411.63)	0.00
GNMA														

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	233,454.45	252,149.46			(863.79)		232,590.66	255,804.60	4,518.93	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	339,246.89	366,413.53			(1,278.55)		337,967.14	371,694.87	6,560.89	0.00
FNMA	2007A Single Family	4.75	08/23/07	08/01/37	1,376,099.65	1,469,690.11			(129,178.58)		1,246,921.07	1,347,844.24	7,332.71	0.00
FNMA	2007A Single Family	5.49	09/11/07	06/01/37	834,517.16	910,461.69			(3,380.74)		831,136.42	924,220.86	17,139.91	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	247,820.03	270,372.68			(1,421.36)		246,398.67	274,207.92	5,256.60	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37	1,326,196.61	1,430,716.93			(14,694.17)		1,311,502.44	1,433,058.68	17,033.92	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37	1,274,266.74	1,376,351.59			(15,279.44)		1,258,987.30	1,385,979.43	24,907.28	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37	129,243.95	141,009.14			(529.77)		128,714.18	143,347.05	2,867.68	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37	1,668,678.00	1,800,247.54			(7,553.41)		1,661,124.59	1,813,431.11	20,736.96	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	684,988.51	743,735.48			(4,233.68)		680,752.83	750,204.57	10,702.77	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	41,833.29	45,421.19			(312.17)		41,521.12	45,763.89	654.87	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37	573,451.26	616,147.29			(2,437.00)		571,014.26	617,107.33	3,397.04	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37	258,086.07	277,300.90			(1,526.90)		256,559.17	277,374.28	1,600.28	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37	776,794.00	843,428.08			(3,112.52)		773,681.48	851,040.41	10,724.85	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	484,691.99	526,270.89			(97,313.25)		387,378.74	427,274.21	(1,683.43)	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37	914,595.42	982,707.03			(3,785.18)		910,810.24	984,311.24	5,389.39	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	476,913.71	517,625.33			(1,757.78)		475,155.93	522,609.88	6,542.33	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37	405,194.99	439,959.64			(1,500.64)		403,694.35	444,016.37	5,557.37	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37	103,337.67	111,034.42			(426.20)		102,911.47	111,217.16	608.94	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37	113,149.13	121,578.25			(2,545.40)		110,603.73	120,561.39	1,628.54	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37	584,040.85	634,156.51			(2,169.25)		581,871.70	639,985.90	7,998.64	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37	395,009.18	428,903.37			(1,831.35)		393,177.83	432,956.79	5,884.77	0.00
FNMA	2007A Single Family	4.75	11/28/07	09/01/37	115,147.60	123,726.09			(475.60)		114,672.00	123,928.98	678.49	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	777,934.57	844,704.85			(3,226.38)		774,708.19	852,113.79	10,635.32	0.00
FNMA	2007A Single Family	5.49	12/12/07	09/01/37	91,431.31	99,278.37			(333.08)		91,098.23	100,198.04	1,252.75	0.00
FNMA	2007A Single Family	4.75	12/11/07	12/01/37	610,719.98	656,230.56			(2,558.78)		608,161.20	657,292.61	3,620.83	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	367,139.11	398,650.73			(1,355.82)		365,783.29	402,330.84	5,035.93	0.00
FNMA	2007A Single Family	4.75	12/20/07	12/01/37	206,231.83	221,601.92			(1,349.92)		204,881.91	221,553.06	1,301.08	0.00
FNMA	2007A Single Family	5.49	12/20/07	12/01/37	315,694.01	342,793.54			(1,169.72)		314,524.29	345,991.83	4,368.01	0.00
FNMA	2007A Single Family	5.49	12/28/07	10/01/37	144,626.84	157,041.93			(540.63)		144,086.21	158,520.81	2,019.51	0.00
FNMA	2007A Single Family	4.75	12/28/07	12/01/37	307,844.60	330,789.71			(1,273.51)		306,571.09	331,330.29	1,814.09	0.00
FNMA	2007A Single Family	5.49	12/28/07	12/01/37	88,015.67	95,571.61			(314.16)		87,701.51	96,460.62	1,203.17	0.00
FNMA	2007A Single Family	5.49	01/16/08	08/01/37	109,743.97	119,165.96			(650.17)		109,093.80	120,302.71	1,786.92	0.00
FNMA	2007A Single Family	5.49	01/30/08	09/01/37	325,436.73	353,381.86			(1,191.23)		324,245.50	356,652.44	4,461.81	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	102,279.16	109,905.61			(415.40)		101,863.76	110,085.25	596.04	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	92,335.31	99,220.30			(374.19)		91,961.12	99,384.26	538.15	0.00
FNMA	2007A Single Family	5.49	01/30/08	01/01/38	132,178.99	143,534.61			(468.78)		131,710.21	144,867.71	1,801.88	0.00
FNMA	2007A Single Family	5.49	02/13/08	11/01/37	330,728.02	424,286.98			(2,205.09)		328,522.93	427,816.27	5,734.38	0.00
FNMA	2007A Single Family	4.75	02/13/08	01/01/38	418,341.04	449,241.26			(3,108.54)		415,231.50	449,439.01	3,307.29	0.00
FNMA	2007A Single Family	5.49	02/19/08	01/01/38	201,178.69	218,459.78			(835.32)		200,343.37	220,747.08	3,122.62	0.00
FNMA	2007A Single Family	5.49	02/27/08	02/01/38	105,342.09	114,391.93			(379.91)		104,962.18	115,457.25	1,439.23	0.00
FNMA	2007A Single Family	4.75	03/12/08	02/01/38	227,070.87	244,012.28			(935.05)		226,135.82	244,389.49	1,322.26	0.00
FNMA	2007A Single Family	5.49	03/20/08	02/01/38	294,808.63	320,150.43			(1,056.46)		293,752.17	323,114.55	4,020.58	0.00
FNMA	2007A Single Family	5.49	03/20/08	11/01/37	347,255.51	377,092.48			(1,616.14)		345,639.37	380,202.58	4,726.24	0.00
FNMA	2007A Single Family	4.75	03/27/08	03/01/38	199,225.75	213,951.23			(793.30)		198,432.45	214,448.98	1,291.05	0.00
FNMA	2007A Single Family	5.49	04/08/08	03/01/38	180,900.88	196,454.72			(635.96)		180,264.92	198,279.85	2,461.09	0.00
FNMA	2007A Single Family	4.75	04/08/08	02/01/38	140,781.16	151,187.26			(563.89)		140,217.28	151,539.67	916.29	0.00
FNMA	2007A Single Family				100,684.18	109,341.99			(100,684.18)				(6,657.81)	0.00
FNMA	2007A Single Family	5.49	04/22/08	04/01/38	55,515.14	60,289.18			(193.15)		55,321.99	60,850.94	754.91	0.00
Repo Agmt	2007A Single Family	0.20	11/30/10	12/01/10	297,255.60	297,255.60		(143,107.01)			154,148.59	154,148.59	-	0.00
FNMA	2007A Single Family	5.25	10/29/09	10/01/39	3,533.46	3,823.46			(11.67)		3,521.79	3,850.47	38.68	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	8,250.33	8,855.68			(31.22)		8,219.11	8,936.40	111.94	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	5,873.89	6,304.90			(22.08)		5,851.81	6,362.41	79.59	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	22,026.34	23,642.74			(89.77)		21,936.57	23,856.79	303.82	0.00
Freddie Mac	2007A Single Family	6.00	12/20/07	12/01/37	4,554.63	4,939.90			(18.09)		4,536.54	4,971.44	49.63	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	15,972.01	17,144.11			(60.04)		15,911.97	17,300.49	216.42	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	17,613.06	18,905.92			(70.80)		17,542.26	19,074.10	238.98	0.00
Freddie Mac	2007A Single Family	6.00	01/16/08	12/01/37	4,039.98	4,381.80			(13.24)		4,026.74	4,412.85	44.29	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	7,493.33	8,043.38			(28.07)		7,465.26	8,116.71	101.40	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	01/01/38	14,729.24	15,810.58			(71.72)		14,657.52	15,937.61	188.75	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	12/01/37	9,281.58	9,965.00			(35.90)		9,245.68	10,053.62	126.52	0.00
Freddie Mac	2007A Single Family	6.00	01/30/08	01/01/38	3,690.19	3,999.30			(12.10)		3,678.09	4,030.79	43.59	0.00
Freddie Mac	2007A Single Family	6.00	02/13/08	01/01/38	5,812.53	6,299.52			(20.32)		5,792.21	6,347.76	68.56	0.00
Freddie Mac	2007A Single Family	5.25	02/13/08	01/01/38	7,560.48	8,115.59			(28.20)		7,532.28	8,189.72	102.33	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	02/01/38	2,635.85	2,829.47			(9.73)		2,626.12	2,855.29	35.55	0.00
Freddie Mac	2007A Single Family	6.00	03/20/08	03/01/38	5,270.01	5,711.68			(17.17)		5,252.84	5,756.77	62.26	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	11/01/37	4,336.72	4,657.39			(18.50)		4,320.22	4,705.79	66.90	0.00
Freddie Mac	2007A Single Family	6.00	04/22/08	02/01/38	2,241.45	2,431.27			(7.65)		2,233.80	2,448.17	24.55	0.00
Freddie Mac	2007A Single Family	5.25	04/22/08	01/01/38	5,331.69	5,722.41			(19.81)		5,311.88	5,775.61	72.01	0.00
Freddie Mac	2007A Single Family	5.25	05/14/08	04/01/38	9,880.08	10,606.25			(36.29)		9,843.79	10,703.01	133.05	0.00
Freddie Mac	2007A Single Family	6.00	05/15/08	04/01/38	5,500.86	5,962.12			(17.81)		5,483.05	6,009.30	64.99	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	04/01/38	11,729.75	12,591.93			(43.14)		11,686.61	12,706.76	157.97	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	05/01/38	8,236.08	8,841.67			(29.98)		8,206.10	8,922.32	110.63	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Freddie Mac	2007A Single Family	5.25	05/28/08	04/01/38	8,974.65	9,634.34			(32.94)		8,941.71	9,722.28	120.88	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	05/01/38	4,824.46	5,179.10			(17.49)		4,806.97	5,226.42	64.81	0.00
Freddie Mac	2007A Single Family	6.00	06/18/08	05/01/38	10,273.59	11,135.35			(38.72)		10,234.87	11,217.52	120.89	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	02/01/38	2,839.34	3,048.09			(18.00)		2,824.34	3,076.12	43.03	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	05/01/38	5,089.97	5,464.20			(18.46)		5,071.51	5,514.13	68.39	0.00
Freddie Mac	2007A Single Family	6.00	06/25/08	05/01/38	3,662.48	3,969.72			(11.61)		3,650.87	4,001.40	43.29	0.00
Freddie Mac	2007A Single Family	6.00	07/16/08	06/01/38	5,696.75	6,174.73			(28.31)		5,667.44	6,211.69	66.27	0.00
Freddie Mac	2007A Single Family	5.25	07/16/08	06/01/38	7,769.45	8,340.89			(29.37)		7,740.08	8,416.09	104.57	0.00
Freddie Mac	2007A Single Family	6.00	07/23/08	06/01/38	5,643.92	5,207.00			(17.90)		5,189.10	5,687.46	61.44	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	06/01/38	5,372.46	5,823.35			(23.68)		5,348.78	5,862.54	62.87	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	08/01/38	2,579.25	2,795.71			(8.03)		2,571.22	2,818.20	30.52	0.00
Freddie Mac	2007A Single Family	6.00	08/20/08	06/01/38	5,391.00	5,643.49			(19.92)		5,371.08	5,887.03	63.46	0.00
Freddie Mac	2007A Single Family	6.00	08/27/08	08/01/38	10,704.12	11,602.62			(34.01)		10,670.11	11,695.16	126.55	0.00
Freddie Mac	2007A Single Family	6.00	09/17/08	08/01/38	7,675.38	8,319.76			(1,000.29)		6,675.09	7,316.43	(3.04)	0.00
Freddie Mac	2007A Single Family	5.25	09/17/08	08/01/38	2,955.14	3,170.48			(11.63)		2,941.51	3,196.39	39.54	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	09/01/38	6,929.47	6,795.33			(22.53)		6,306.94	6,857.48	84.68	0.00
Freddie Mac	2007A Single Family	6.00	09/24/08	06/01/38	3,521.65	3,817.31			(11.17)		3,510.48	3,847.77	41.63	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	06/01/38	5,073.62	5,447.05			(18.33)		5,055.29	5,496.88	68.16	0.00
Freddie Mac	2007A Single Family	5.25	10/08/08	09/01/38	3,929.75	4,219.02			(47.09)		3,882.66	4,241.65	69.72	0.00
Freddie Mac	2007A Single Family	6.00	10/15/08	09/01/38	7,881.55	8,543.41			(26.41)		7,855.14	8,610.04	93.04	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	07/01/38	4,363.47	4,684.70			(15.62)		4,347.85	4,727.50	58.42	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	07/01/38	2,689.59	2,915.47			(8.41)		2,681.18	2,938.86	31.80	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	09/01/38	2,734.85	2,964.52			(8.45)		2,726.40	2,988.43	32.36	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	08/01/38	5,394.58	5,780.99			(19.96)		5,364.62	5,833.75	72.72	0.00
Freddie Mac	2007A Single Family	5.25	11/19/08	09/01/38	4,036.12	4,333.36			(4.94)		4,021.18	4,372.29	53.87	0.00
Freddie Mac	2007A Single Family	5.25	12/10/08	11/01/38	11,250.42	12,079.19			(40.15)		11,210.27	12,189.54	160.50	0.00
Freddie Mac	2007A Single Family	6.00	12/17/08	11/01/38	5,937.68	6,436.61			(22.11)		5,915.57	6,484.39	69.88	0.00
Freddie Mac	2007A Single Family	5.25	01/14/09	11/01/38	2,953.27	3,170.89			(10.33)		2,942.94	3,199.91	39.25	0.00
Freddie Mac	2007A Single Family	6.00	01/14/09	11/01/38	7,301.11	7,914.75			(22.30)		7,278.81	7,978.86	86.41	0.00
Freddie Mac	2007A Single Family	6.00	02/18/09	01/01/39	4,738.42	5,136.81			(14.53)		4,723.89	5,178.36	56.08	0.00
Freddie Mac	2007A Single Family	5.25	02/18/09	12/01/38	4,027.83	4,324.75			(13.99)		4,013.84	4,364.40	53.64	0.00
Freddie Mac	2007A Single Family	5.49	02/18/09	09/01/38	4,907.64	5,283.19			(16.64)		4,891.00	5,352.15	85.60	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	10/01/38	1,696.19	1,606.12			(6.33)		1,689.66	1,816.83	17.24	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	12/01/38	2,460.67	2,620.17			(9.84)		2,450.83	2,635.67	25.34	0.00
Freddie Mac	2007A Single Family	4.75	03/11/09	12/01/38	2,915.91	3,104.97			(11.07)		2,904.84	3,123.50	28.60	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	02/01/39	2,556.53	2,744.82			(8.76)		2,547.77	2,770.26	34.20	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	01/01/39	2,856.55	3,067.21			(37.18)		2,819.37	3,073.42	43.39	0.00
Freddie Mac	2007A Single Family	6.00	03/25/09	11/01/38	1,849.21	2,004.75			(14.22)		1,834.99	2,011.60	21.07	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	12/01/38	2,229.98	2,394.42			(13.60)		2,216.38	2,418.81	37.99	0.00
GNMA	2007A Single Family	5.25	12/28/07	12/20/37	10,086.22	10,977.80			(36.04)		10,048.18	10,957.55	17.79	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	16,762.67	18,312.33			(58.68)		16,703.99	18,505.47	251.82	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	65,027.94	70,897.59			(4,106.32)		60,921.62	66,546.99	(244.28)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	4,060.58	4,427.07			(15.13)		4,045.45	4,418.96	7.02	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	6,738.40	7,472.15			(22.02)		6,716.38	7,517.46	67.33	0.00
GNMA	2007A Single Family	5.25	12/11/07	12/20/37	69,688.51	75,979.08			(270.30)		69,418.21	75,828.38	119.60	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	8,912.29	9,716.73			(33.38)		8,878.91	9,698.75	15.40	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	29,737.42	32,422.01			(113.52)		29,623.90	32,359.70	51.21	0.00
GNMA	2007A Single Family	6.00	12/20/07	12/20/37	3,295.43	3,649.88			(10.77)		3,284.66	3,672.01	32.90	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	12,427.22	13,549.12			(46.47)		12,380.75	13,524.15	21.50	0.00
GNMA	2007A Single Family	5.25	12/20/07	11/20/37	4,390.66	4,787.02			(16.50)		4,374.16	4,778.09	7.57	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	6,497.15	7,083.68			(29.44)		6,467.71	7,065.00	10.76	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	10,701.23	11,872.33			(34.77)		10,666.46	11,944.29	106.73	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,147.73	15,384.25			(58.06)		14,089.67	15,351.93	25.74	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	8,697.15	9,473.66			(32.06)		8,665.09	9,457.58	15.98	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	8,614.45	9,367.39			(31.74)		8,582.71	9,351.64	15.99	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	5,241.59	5,810.74			(17.74)		5,223.85	5,845.10	52.10	0.00
GNMA	2007A Single Family	6.00	01/16/08	12/20/37	16,276.73	18,109.83			(5,330.77)		10,945.96	12,274.96	(504.10)	0.00
GNMA	2007A Single Family	5.25	01/16/08	12/20/37	13,479.65	14,697.00			(52.68)		13,426.97	14,667.41	23.09	0.00
GNMA	2007A Single Family	5.25	01/16/08	01/20/38	65,027.78	70,832.73			(246.49)		64,781.29	70,705.17	118.93	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	19,558.38	21,267.85			(4,911.67)		14,646.71	15,958.89	(397.29)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	6,671.46	7,267.20			(26.42)		6,646.04	7,253.97	12.19	0.00
GNMA	2007A Single Family	5.25	02/13/08	02/20/38	12,057.23	13,133.97			(3,771.06)		8,286.17	9,044.18	(318.73)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	4,473.54	4,932.09			(14.48)		4,459.06	4,972.58	54.97	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,825.11	5,255.92			(17.77)		4,807.34	5,247.03	8.88	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,772.58	5,198.70			(17.56)		4,755.02	5,189.91	8.77	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,057.08	15,312.15			(53.64)		14,003.44	15,284.18	25.67	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	12,072.63	13,413.52			(39.07)		12,033.56	13,476.42	101.97	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	17,868.47	19,464.12			(66.15)		17,802.32	19,430.78	32.81	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	14,747.64	16,064.60			(54.47)		14,693.17	16,037.22	27.09	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	13,254.54	14,439.05			(48.45)		13,206.09	14,414.99	24.39	0.00
GNMA	2007A Single Family	6.00	04/08/08	04/20/38	9,520.56	10,562.32			(3,717.10)		5,803.46	6,495.52	(349.70)	0.00
GNMA	2007A Single Family	5.25	04/08/08	04/20/38	12,295.28	13,394.14			(5,013.75)		7,281.53	7,948.16	(432.23)	0.00
GNMA	2007A Single Family	6.00	03/12/08	03/20/38	3,970.44	4,390.59			(27.71)		3,942.73	4,403.56	40.68	0.00
GNMA	2007A Single Family	5.25	03/12/08	03/20/38	13,401.80	14,589.05			(4,651.80)		8,750.00	9,550.71	(396.54)	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	18,311.33	19,910.36			(76.77)		18,234.56	19,866.81	33.22	0.00
GNMA	2007A Single Family	6.00	02/19/08	01/20/38	10,153.93	11,264.90			(45.22)		10,108.71	11,320.70	101.02	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	12,254.49	13,348.93			(48.58)		12,205.91	13,322.57	22.22	0.00
GNMA	2007A Single Family	6.00	02/19/08	02/20/38	7,206.73	7,992.87			(24.30)		7,182.43	8,041.09	72.52	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	22,645.37	24,967.83			(114.11)		22,531.26	24,592.55	38.83	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	8,704.05	9,596.53			(28.96)		8,675.09	9,683.54	115.97	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	8,153.07	8,881.27			(30.73)		8,122.34	8,865.47	14.93	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	11,984.02	13,054.38			(45.01)		11,939.01	13,031.34	21.97	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	6,130.97	6,678.57			(22.86)		6,108.11	6,666.97	11.26	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	6,701.44	7,388.50			(21.62)		6,679.82	7,457.87	90.99	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	13,032.99	14,197.07			(74.88)		12,958.11	14,143.71	21.52	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	4,908.53	5,347.07			(17.85)		4,890.68	5,338.27	9.05	0.00
GNMA	2007A Single Family	6.00	03/20/08	03/20/38	2,034.41	2,253.30			(2,034.41)		0.00		(218.89)	0.00
GNMA	2007A Single Family	5.25	03/27/08	03/20/38	10,574.23	11,519.09			(47.07)		10,527.16	11,490.70	18.68	0.00
GNMA	2007A Single Family	6.00	03/27/08	03/20/38	13,507.36	14,892.82			(45.52)		13,461.74	15,058.78	211.58	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	7,952.71	8,674.39			(29.40)		7,933.31	8,659.62	14.63	0.00
GNMA	2007A Single Family	6.00	04/15/08	04/20/38	3,377.20	3,755.40			(29.15)		3,348.05	3,761.78	35.53	0.00
GNMA	2007A Single Family	5.25	04/24/08	04/20/38	4,236.18	4,614.87			(15.46)		4,220.72	4,607.21	7.80	0.00
GNMA	2007A Single Family	6.00	04/22/08	04/20/38	11,483.94	12,662.20			(36.49)		11,447.45	12,780.06	154.35	0.00
GNMA	2007A Single Family	6.00	05/07/08	04/20/38	13,197.25	14,664.30			(42.88)		13,154.37	14,752.30	130.88	0.00
GNMA	2007A Single Family	5.25	05/07/08	05/20/38	49,385.09	53,600.39			(188.58)		49,196.23	53,701.65	90.12	0.00
GNMA	2007A Single Family	5.25	05/07/08	04/20/38	9,343.24	10,178.54			(34.11)		9,309.13	10,161.63	17.20	0.00
GNMA	2007A Single Family	5.25	05/14/08	04/20/38	18,489.45	20,142.57			(4,454.43)		14,035.02	15,320.39	(367.75)	0.00
GNMA	2007A Single Family	6.00	05/21/08	05/20/38	7,762.88	8,623.21			(24.68)		7,738.20	8,675.51	76.98	0.00
GNMA	2007A Single Family	5.25	05/21/08	05/20/38	5,523.34	6,017.26			(20.02)		5,503.32	6,007.42	10.18	0.00
GNMA	2007A Single Family	5.25	05/28/08	05/20/38	8,989.07	9,792.91			(32.24)		8,956.23	9,776.60	16.53	0.00
GNMA	2007A Single Family	6.00	05/28/08	05/20/38	9,494.05	10,533.39			(33.56)		9,460.49	10,594.11	94.28	0.00
GNMA	2007A Single Family	5.25	05/28/08	01/20/38	3,126.03	3,405.56			(11.64)		3,114.39	3,399.64	5.72	0.00
GNMA	2007A Single Family	6.00	06/11/08	06/20/38	15,321.32	17,025.19			(3,665.71)		11,655.61	13,053.51	(305.97)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	22,979.86	25,035.26			(11,455.02)		11,524.84	12,580.72	(989.52)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	11,258.21	12,265.18			(45.18)		11,213.03	12,240.34	20.34	0.00
GNMA	2007A Single Family	6.00	07/09/08	07/20/38	34,641.41	38,198.99			(149.93)		34,491.48	38,570.09	521.03	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	31,488.85	34,306.39			(4,583.96)		26,924.89	29,392.62	(349.81)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	16,300.35	17,756.87			(3,623.71)		12,676.64	13,638.48	(296.68)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	6,021.37	6,560.14			(20.10)		5,999.27	6,549.11	11.07	0.00
GNMA	2007A Single Family	6.00	07/16/08	07/20/38	5,137.60	5,702.70			(45.81)		5,091.79	5,708.70	51.81	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	5,547.41	6,043.82			(20.07)		5,527.34	6,033.97	10.22	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	11,425.04	12,598.07			(38.81)		11,386.23	12,719.79	160.53	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	3,459.40	3,768.86			(12.76)		3,446.64	3,762.47	6.35	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	9,005.09	9,810.66			(44.85)		8,960.24	9,781.29	15.48	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	5,893.87	6,524.69			(3,726.63)		2,167.24	2,409.08	(388.98)	0.00
GNMA	2007A Single Family	6.00	06/25/08	06/20/38	20,229.47	22,306.62			(5,435.96)		14,793.51	16,541.50	(329.16)	0.00
GNMA	2007A Single Family	5.25	06/25/08	06/20/38	18,550.25	20,209.83			(67.04)		18,483.21	20,176.99	34.20	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	37,296.14	40,633.69			(134.31)		37,161.83	40,568.23	68.85	0.00
GNMA	2007A Single Family	6.00	07/23/08	07/20/38	11,387.40	12,636.48			(37.17)		11,350.23	12,712.18	112.87	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	47,985.85	52,280.43			(7,620.81)		40,365.04	44,065.38	(594.24)	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	8,315.83	9,060.10			(29.55)		8,286.28	9,045.92	15.37	0.00
GNMA	2007A Single Family	6.00	07/29/08	07/20/38	1,383.93	1,530.13			(4.28)		1,379.65	1,539.48	13.63	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	19,209.51	20,928.81			(68.87)		19,140.64	20,895.41	35.47	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	12,130.92	13,216.65			(43.32)		12,087.60	13,195.76	22.43	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	2,344.14	2,597.99			(7.25)		2,336.89	2,613.84	23.10	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	14,316.89	15,598.79			(55.24)		14,261.65	15,569.63	26.08	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	13,421.26	14,622.98			(47.42)		13,373.84	14,600.41	24.85	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	34,669.43	38,231.36			(4,038.61)		30,630.82	34,092.86	(99.89)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	79,745.75	86,884.75			(4,590.42)		75,155.33	82,046.95	(247.38)	0.00
GNMA	2007A Single Family	5.25	08/13/08	07/20/38	43,644.92	47,552.00			(4,717.84)		38,927.28	42,496.71	(337.65)	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	7,652.02	8,438.19			(24.00)		7,628.02	8,513.63	99.44	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	13,704.36	14,931.20			(49.63)		13,654.73	14,906.84	25.27	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	23,564.89	25,674.46			(91.13)		23,473.76	25,626.26	42.93	0.00
GNMA	2007A Single Family	6.00	08/20/08	08/20/38	9,806.66	10,814.28			(31.21)		9,775.45	10,919.45	136.38	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	31,860.51	34,712.98			(141.14)		31,719.37	34,628.24	56.40	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	8,359.78	9,108.22			(30.05)		8,329.73	9,093.61	15.44	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain	
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	5,133.05	5,592.64			(18.23)		5,114.82	5,583.89	9.48	0.00	
GNMA	2007A Single Family	5.25	09/27/08	08/20/38	9,127.72	9,945.03			(32.17)		9,095.55	9,929.75	16.89	0.00	
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	13,245.53	14,606.59			(3,958.03)		9,287.50	10,336.98	(311.58)	0.00	
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	34,481.72	37,504.29			(122.93)		34,358.79	37,445.89	64.33	0.00	
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	10,588.43	11,536.50			(40.46)		10,547.97	11,515.36	19.32	0.00	
GNMA	2007A Single Family	6.00	09/10/08	09/20/38	15,369.70	16,949.30			(4,596.89)		10,812.81	12,072.15	(320.26)	0.00	
GNMA	2007A Single Family	5.25	09/10/08	09/20/38	56,612.65	61,682.64			(4,584.81)		52,027.84	56,800.48	(297.35)	0.00	
GNMA	2007A Single Family	5.25	09/10/08	08/20/38	30,394.55	33,116.51			(108.18)		30,286.37	33,064.53	56.20	0.00	
GNMA	2007A Single Family	5.25	09/17/08	09/20/38	10,447.08	11,382.77			(37.92)		10,409.16	11,364.11	19.26	0.00	
GNMA	2007A Single Family	5.25	09/17/08	08/20/38	8,567.41	9,334.74			(30.19)		8,537.22	9,320.40	15.85	0.00	
GNMA	2007A Single Family	5.25	09/24/08	07/20/38	4,215.05	4,592.57			(14.95)		4,200.10	4,585.41	7.79	0.00	
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	10,479.30	11,548.85			(33.25)		10,440.05	11,662.79	146.19	0.00	
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	23,724.33	25,849.37			(97.65)		23,626.68	25,794.36	42.64	0.00	
GNMA	2007A Single Family	5.25	09/24/08	08/20/38	3,382.27	3,685.22			(12.16)		3,370.11	3,679.31	6.25	0.00	
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	5,043.31	5,495.04			(16.63)		5,024.68	5,485.66	9.25	0.00	
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	11,256.80	12,413.90			(34.56)		11,222.24	12,473.15	93.81	0.00	
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	26,634.42	29,020.14			(94.90)		26,539.52	28,974.46	49.22	0.00	
GNMA	2007A Single Family	6.00	10/08/08	10/20/38	26,752.40	29,616.97			(100.62)		26,651.78	29,779.12	262.77	0.00	
GNMA	2007A Single Family	5.25	10/08/08	09/20/38	17,428.65	18,990.06			(62.16)		17,366.49	18,960.10	32.20	0.00	
GNMA	2007A Single Family	6.00	10/15/08	09/20/38	4,402.12	4,934.38			(13.54)		4,388.58	4,916.93	(3.91)	0.00	
GNMA	2007A Single Family	6.00	10/15/08	06/20/38	3,199.81	3,544.70			(9.96)		3,189.85	3,566.36	31.62	0.00	
GNMA	2007A Single Family	6.00	10/15/08	07/20/38	4,629.76	5,105.76			(18.46)		4,611.30	5,143.79	56.49	0.00	
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	20,966.02	23,011.53			(66.06)		20,799.96	23,270.62	325.15	0.00	
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	26,131.47	28,473.01			(96.84)		26,034.63	28,424.15	47.98	0.00	
GNMA	2007A Single Family	5.25	10/22/08	07/20/38	9,404.06	10,246.65			(35.38)		9,368.68	10,228.48	17.21	0.00	
GNMA	2007A Single Family	5.25	10/22/08	09/20/38	10,762.49	11,726.85			(37.96)		10,724.53	11,708.81	19.92	0.00	
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	17,968.13	19,815.73			(84.23)		17,883.90	20,010.59	279.09	0.00	
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	19,593.20	21,348.84			(69.55)		19,523.35	21,315.22	36.23	0.00	
GNMA	2007A Single Family	5.25	10/22/08	09/20/38	4,663.97	5,081.86			(17.37)		4,646.60	5,073.03	8.54	0.00	
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	9,614.86	10,476.48			(33.66)		9,581.20	10,460.65	17.83	0.00	
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,007.23	15,567.23			(43.36)		13,963.87	15,662.06	138.19	0.00	
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	11,866.95	12,760.42			(32.89)		11,834.06	12,727.53	11,984.62	150.56	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	14,121.42	15,386.88			(49.23)		14,072.19	15,363.85	26.20	0.00	
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	8,339.76	9,087.14			(29.42)		8,310.34	9,073.16	15.44	0.00	
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	11,356.16	12,523.94			(80.67)		11,275.49	12,617.30	174.03	0.00	
GNMA	2007A Single Family	5.25	10/29/08	09/20/38	6,959.74	7,583.42			(26.93)		6,932.76	7,569.09	12.65	0.00	
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	31,038.10	34,230.41			(96.10)		30,942.00	34,618.83	484.52	0.00	
GNMA	2007A Single Family	5.25	11/12/08	10/20/38	9,402.10	10,244.79			(33.89)		9,368.21	10,228.25	17.35	0.00	
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	9,772.54	10,777.66			(29.55)		9,742.99	10,878.27	130.16	0.00	
GNMA	2007A Single Family	5.25	11/19/08	08/20/38	3,723.53	4,057.26			(13.51)		3,710.02	4,050.62	6.87	0.00	
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	15,037.01	16,583.65			(3,720.40)		11,316.61	12,596.51	(266.74)	0.00	
GNMA	2007A Single Family	5.25	11/19/08	11/20/38	12,216.07	13,311.08			(42.55)		12,173.52	13,291.21	22.88	0.00	
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	8,200.29	9,043.77			(26.61)		8,173.68	9,125.20	108.04	0.00	
GNMA	2007A Single Family	5.25	11/25/08	10/20/38	2,144.95	2,337.23			(7.60)		2,137.35	2,333.61	3.98	0.00	
GNMA	2007A Single Family	5.25	11/25/08	11/20/38	9,538.66	10,393.77			(4,144.68)		5,393.98	5,899.26	(359.83)	0.00	
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	8,622.29	9,567.22			(29.47)		8,592.82	9,622.54	84.79	0.00	
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	13,165.31	14,519.58			(39.76)		13,125.55	14,677.64	197.82	0.00	
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	37,343.50	41,185.51			(2,917.22)		34,426.28	38,518.24	249.95	0.00	
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	38,570.93	42,029.35			(3,756.05)		34,814.88	38,012.26	(261.04)	0.00	
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	5,193.08	5,658.72			(17.99)		5,175.09	5,650.40	9.67	0.00	
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	14,351.97	15,828.56			(46.49)		14,305.48	15,996.77	214.70	0.00	
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	7,238.92	7,983.73			(22.03)		7,216.89	8,019.20	57.50	0.00	
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,220.13	16,786.17			(3,487.33)		11,732.80	13,101.75	(197.09)	0.00	
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	11,456.48	12,635.28			(63.68)		11,392.80	12,730.48	158.88	0.00	
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	6,751.55	7,446.22			(20.38)		6,731.17	7,517.36	81.52	0.00	
GNMA	2007A Single Family	6.00	02/18/09	01/20/39	2,728.76	3,024.57			(8.88)		2,719.88	3,042.30	26.61	0.00	
GNMA	2007A Single Family	6.00	02/18/09	02/20/39	10,269.25	11,321.18			(30.54)		10,238.71	11,425.35	134.71	0.00	
GNMA	2007A Single Family	5.25	02/25/09	02/20/39	6,147.05	6,699.24			(23.57)		6,123.48	6,685.51	9.84	0.00	
GNMA	2007A Single Family	5.49	02/25/09	01/20/39	2,872.53	3,144.43			(9.40)		2,863.13	3,140.96	5.95	0.00	
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	39,794.96	43,871.66			(193.80)		39,601.16	44,288.03	610.17	0.00	
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,700.12	5,121.98			(16.16)		4,683.96	5,114.55	8.73	0.00	
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,691.53	5,112.62			(16.95)		4,674.58	5,104.32	8.65	0.00	
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	17,310.17	19,083.44			(51.42)		17,258.75	19,287.71	255.69	0.00	
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	2,434.25	2,697.11			(7.30)		2,426.95	2,713.69	23.88	0.00	
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	4,467.59	4,925.25			(13.22)		4,454.37	4,965.69	53.66	0.00	
GNMA	2007A Single Family	5.25	03/11/09	02/20/39	5,272.92	5,746.64			(19.84)		5,253.08	5,735.29	8.49	0.00	
GNMA	2007A Single Family	5.25	03/11/09	01/20/39	4,364.48	4,756.59			(14.91)		4,349.57	4,748.83	7.15	0.00	
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	17,468.89	19,258.74			(53.69)		17,415.20	19,388.54	163.49	0.00	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	3,484.70	3,859.46			(11.22)		3,473.48	3,882.28	34.04	0.00
GNMA	2007A Single Family	6.00	03/18/09	03/20/39	23,185.43	25,561.23			(73.55)		23,111.88	25,830.07	342.39	0.00
GNMA	2007A Single Family	5.25	03/25/09	12/20/38	2,107.40	2,286.62			(7.26)		2,100.14	2,293.27	3.91	0.00
GNMA	2007A Single Family	6.00	03/25/09	03/20/39	2,422.50	2,684.25			(7.12)		2,415.38	2,700.85	23.72	0.00
GNMA	2007A Single Family	6.00	03/25/09	01/20/39	4,441.38	4,866.51			(13.24)		4,428.14	4,936.46	52.19	0.00
GNMA	2007A Single Family	6.00	03/25/09	02/20/39	3,906.65	4,306.95			(11.56)		3,895.09	4,343.70	48.31	0.00
GNMA	2007A Single Family	6.00	04/08/09	10/20/38	2,773.80	3,074.34			(8.95)		2,764.65	3,095.93	30.54	0.00
GNMA	2007A Single Family	5.25	04/08/09	01/20/39	2,283.55	2,488.79			(7.83)		2,275.72	2,484.70	3.74	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	27,508.43	29,975.61			(97.36)		27,411.07	29,929.18	50.93	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	5,994.68	6,713.81			(18.90)		5,975.78	6,689.60	(5.31)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	18,948.22	20,898.17			(57.13)		18,891.09	21,137.81	296.77	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	10,835.83	11,950.82			(37.76)		10,798.07	12,064.58	151.42	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	34,643.28	37,750.38			(8,396.08)		26,247.20	28,658.41	(685.89)	0.00
GNMA	2007A Single Family	6.00	01/14/09	12/20/38	6,646.70	7,378.57			(20.23)		6,626.47	7,429.89	70.55	0.00
GNMA	2007A Single Family	5.25	01/14/09	01/20/39	11,846.89	12,910.49			(41.70)		11,805.19	12,888.10	19.31	0.00
GNMA	2007A Single Family	5.25	01/14/09	12/20/38	9,689.88	10,559.12			(33.42)		9,656.46	10,543.71	18.01	0.00
GNMA	2007A Single Family	6.00	01/14/09	01/20/39	28,783.67	31,730.92			(5,828.59)		22,955.08	25,670.72	(231.61)	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	20,140.03	22,202.35			(61.33)		20,078.70	22,353.04	212.02	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,648.27	9,534.08			(28.59)		8,619.68	9,629.75	124.26	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6,828.66	7,441.94			(23.37)		6,805.29	7,429.77	11.20	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	13,305.52	14,500.50			(48.81)		13,256.71	14,473.20	21.51	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	10,321.85	11,379.07			(44.44)		10,277.41	11,484.64	150.01	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	4,683.34	5,103.95			(16.04)		4,667.30	5,095.58	7.67	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6,243.12	6,803.82			(22.30)		6,220.82	6,791.67	10.15	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,283.54	9,131.99			(24.68)		8,258.86	9,214.20	106.89	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	8,378.84	9,131.36			(30.23)		8,348.61	9,114.71	13.58	0.00
GNMA	2007A Single Family	6.00	06/24/09	06/20/39	3,876.11	4,284.76			(11.26)		3,864.85	4,321.58	38.08	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39	6,362.12	6,935.17			(24.06)		6,338.06	6,921.33	10.22	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39	5,112.09	5,572.57			(16.79)		5,095.30	5,564.22	8.44	0.00
GNMA	2007A Single Family	6.00	09/16/09	08/20/39	8,666.31	9,556.25			(24.63)		8,641.68	9,645.19	113.57	0.00
GNMA	2007A Single Family	6.00	09/29/09	09/20/39	11,285.12	12,444.19			(32.04)		11,253.08	12,562.76	150.61	0.00
GNMA	2007A Single Family	5.25	09/29/09	09/20/39	9,192.38	10,020.53			(39.33)		9,153.05	9,995.54	14.34	0.00
GNMA	2007A Single Family	5.25	10/15/09	09/20/39	14,722.21	16,046.81			(47.97)		14,674.24	16,025.17	24.33	0.00
GNMA	2007A Single Family	5.25	10/29/09	10/20/39	16,685.54	18,189.36			(61.54)		16,624.00	18,154.75	26.93	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	7,371.31	8,035.88			(23.99)		7,347.32	8,024.06	12.17	0.00
GNMA	2007A Single Family	6.00	11/24/09	09/20/39	5,403.78	5,959.13			(15.26)		5,388.52	6,011.39	67.52	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	9,580.55	10,444.31			(33.16)		9,547.39	10,426.81	15.66	0.00
GNMA	2007A Single Family	5.25	05/18/10	04/20/40	2,745.18	2,983.36			(8.57)		2,736.61	2,989.51	4.72	0.00
GNMA	2007A Single Family	5.25	05/18/10	04/20/40	77,701.20	84,726.13			(5,100.74)		72,600.46	79,309.76	(315.63)	0.00
GNMA	2007A Single Family	5.25	05/25/10	05/20/40	60,555.84	66,031.19			(190.93)		60,364.91	65,944.01	103.75	0.00
GNMA	2007A Single Family	6.00	12/17/09	11/20/39	6,399.32	7,097.85			(17.83)		6,381.49	7,143.41	63.39	0.00
GNMA	2007A Single Family	5.25	12/17/09	12/20/39	19,163.27	20,891.53			(62.61)		19,100.66	20,860.58	31.66	0.00
GNMA	2007A Single Family	5.25	12/17/09	11/20/39	3,339.14	3,640.29			(12.06)		3,327.08	3,633.64	5.41	0.00
GNMA	2007A Single Family	5.25	12/29/09	12/20/39	6,335.41	6,906.86			(20.85)		6,314.56	6,896.47	10.46	0.00
GNMA	2007A Single Family	6.00	12/29/09	12/20/39	10,157.48	11,201.84			(28.43)		10,129.05	11,315.10	141.69	0.00
GNMA	2007A Single Family	5.25	01/20/10	12/20/39	19,146.51	20,874.02			(61.28)		19,085.23	20,844.51	31.77	0.00
GNMA	2007A Single Family	6.00	01/20/10	01/20/40	5,611.37	6,223.07			(15.50)		5,595.87	6,263.16	55.59	0.00
GNMA	2007A Single Family	5.25	01/27/10	12/20/39	21,044.09	22,943.00			(81.77)		20,962.32	22,894.81	33.58	0.00
GNMA	2007A Single Family	6.00	01/27/10	12/20/39	7,376.14	8,134.80			(20.63)		7,355.51	8,209.70	95.53	0.00
GNMA	2007A Single Family	5.25	02/17/10	01/20/40	11,925.36	13,002.22			(38.13)		11,887.23	12,984.48	20.39	0.00
GNMA	2007A Single Family	5.25	02/23/10	12/20/39	9,537.05	10,387.92			(30.72)		9,506.33	10,383.00	15.80	0.00
GNMA	2007A Single Family	6.00	02/23/10	01/20/40	3,135.12	3,473.00			(8.61)		3,126.51	3,495.44	31.05	0.00
GNMA	2007A Single Family	5.25	02/23/10	02/20/40	34,929.00	38,083.37			(10,195.55)		24,733.45	27,016.65	(871.17)	0.00
GNMA	2007A Single Family	6.00	03/16/10	03/20/40	8,840.89	9,921.54			(24.37)		8,916.52	9,985.89	88.72	0.00
GNMA	2007A Single Family	5.25	03/17/10	03/20/40	3,684,865.05	3,827,045.95			(14,033.54)		3,670,831.51	3,821,026.44	8,014.03	0.00
GNMA	2007A Single Family	5.25	03/30/10	03/20/40	84,117.61	91,717.63			(328.81)		83,788.80	91,527.06	138.24	0.00
GNMA	2007A Single Family	5.25	03/30/10	02/20/40	2,856.18	3,114.23			(12.61)		2,843.57	3,106.18	4.56	0.00
GNMA	2007A Single Family	5.25	04/13/10	03/20/40	8,371.40	9,127.89			(61.27)		8,310.13	9,077.74	11.12	0.00
GNMA	2007A Single Family	5.25	04/13/10	04/20/40	91,408.44	99,668.80			(297.78)		91,110.66	99,526.74	155.72	0.00
GNMA	2007A Single Family	5.25	04/13/10	04/20/40	22,253.52	24,284.53			(2,580.17)		19,673.35	21,490.62	(193.74)	0.00
GNMA	2007A Single Family	5.25	04/22/10	04/20/40	69,306.70	75,570.54			(244.18)		69,062.52	75,442.72	116.36	0.00
GNMA	2007A Single Family	5.25	04/22/10	04/20/40	2,584.20	2,817.75			(8.26)		2,575.94	2,813.91	4.42	0.00
GNMA	2007A Single Family	5.25	04/28/10	04/20/40	60,630.20	65,110.28			(203.58)		60,426.62	66,009.43	102.73	0.00
GNMA	2007A Single Family	5.25	06/15/10	06/20/40	78,888.64	86,023.62			(292.70)		78,595.94	85,862.01	131.09	0.00
GNMA	2007A Single Family	5.25	07/20/10	07/20/40	44,076.10	48,064.36			(133.81)		43,942.29	48,006.54	75.99	0.00
GNMA	2007A Single Family	5.25	07/28/10	06/20/40	2,575.72	2,808.81			(7.94)		2,567.78	2,805.30	4.43	0.00
GNMA	2007A Single Family	5.25	07/28/10	07/20/40	59,554.22	64,943.62			(184.99)		59,369.23	64,860.91	102.28	0.00
GNMA	2007A Single Family	5.25	08/17/10	07/20/40	41,688.29	45,461.91			(304.44)		41,383.85	45,212.85	56.41	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	08/24/10	08/20/40	43,686.27	47,841.08			(135.18)		43,551.09	47,581.03	75.13	0.00
GNMA	2007A Single Family	5.25	09/14/10	08/20/40			26,450.06				26,450.06	28,898.22	2,448.16	0.00
GNMA	2007A Single Family	5.25	06/29/10	04/20/40	8,331.14	9,084.78			(26.02)		8,305.12	9,073.04	14.28	0.00
GNMA	2007A Single Family	5.25	06/29/10	06/20/40	52,912.90	57,699.42			(165.20)		52,747.70	57,625.03	90.81	0.00
GNMA	2007A Single Family	5.25	09/21/10	08/20/40			35,513.14				35,513.14	38,800.48	3,287.34	0.00
GNMA	2007A Single Family	5.25	10/19/10	10/20/40			60,080.73				60,080.73	65,644.27	5,563.54	0.00
GNMA	2007A Single Family	5.25	11/09/10	10/20/40			20,866.88				20,866.88	22,799.71	1,932.83	0.00
FNMA	2007A Single Family	6.00	12/11/07	12/01/37	2,413.42	2,632.87			(7.96)		2,405.46	2,645.54	20.63	0.00
FNMA	2007A Single Family	5.25	12/11/07	11/01/37	7,427.84	8,022.94			(28.02)		7,399.82	8,072.55	77.63	0.00
FNMA	2007A Single Family	5.25	12/12/07	12/01/37	63,224.33	68,289.66			(10,203.44)		53,020.89	57,847.60	(238.62)	0.00
FNMA	2007A Single Family	5.25	12/20/07	11/01/37	4,965.55	5,363.37			(18.84)		4,946.71	5,396.43	51.90	0.00
FNMA	2007A Single Family	6.00	12/20/07	12/01/37	3,245.93	3,541.05			(10.71)		3,235.22	3,558.09	27.75	0.00
FNMA	2007A Single Family	5.25	12/20/07	12/01/37	16,574.89	17,902.87			(62.42)		16,512.47	18,013.53	173.08	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	12,322.36	13,309.74			(50.63)		12,271.73	13,396.69	137.56	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	3,031.42	3,274.32			(385.46)		2,645.96	2,912.51	23.65	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	12,657.28	13,671.50			(47.52)		12,609.76	13,756.17	132.19	0.00
FNMA	2007A Single Family	6.00	01/16/08	12/01/37	11,427.62	12,489.80			(37.36)		11,390.26	12,550.10	97.86	0.00
FNMA	2007A Single Family	5.25	01/16/08	12/01/37	65,062.22	70,405.86			(5,482.89)		59,589.33	65,106.83	193.86	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	9,244.91	10,004.29			(41.59)		9,203.32	10,059.11	96.41	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	13,594.23	14,857.34			(58.12)		13,536.11	14,914.70	115.48	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	17,224.09	18,639.00			(8,269.55)		8,954.54	9,786.45	(583.00)	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	5,612.82	6,073.86			(20.87)		5,591.95	6,111.47	58.48	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	4,658.86	5,310.34			(16.45)		4,642.41	5,335.61	41.72	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	8,992.54	9,615.86			(33.37)		8,959.17	9,682.50	100.01	0.00
FNMA	2007A Single Family	6.00	02/13/08	02/01/38	12,295.67	13,438.30			(49.18)		12,246.49	13,493.90	104.78	0.00
FNMA	2007A Single Family	5.25	02/13/08	02/01/38	14,319.54	15,484.49			(53.77)		14,265.77	15,581.33	160.61	0.00
FNMA	2007A Single Family	5.25	02/13/08	01/01/38	12,557.22	13,578.76			(47.24)		12,509.98	13,672.48	140.97	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,385.07	7,985.95			(27.47)		7,357.60	8,041.35	82.87	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,384.32	7,985.14			(27.30)		7,357.02	8,040.69	82.85	0.00
FNMA	2007A Single Family	6.00	02/19/08	02/01/38	6,971.13	7,619.02			(22.56)		6,948.57	7,656.42	59.96	0.00
FNMA	2007A Single Family	6.00	02/27/08	02/01/38	13,998.74	15,299.82			(62.71)		13,936.03	15,355.74	118.63	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	18,060.67	19,530.19			(77.86)		17,983.01	19,654.74	202.21	0.00
FNMA	2007A Single Family	5.25	02/27/08	01/01/38	2,667.81	2,884.86			(12.94)		2,654.87	2,902.20	30.26	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	20,663.51	22,344.86			(83.24)		20,580.27	22,493.50	231.88	0.00
FNMA	2007A Single Family	6.00	03/20/08	03/01/38	15,721.68	17,183.33			(52.32)		15,669.36	17,266.05	135.04	0.00
FNMA	2007A Single Family	5.25	03/20/08	01/01/38	3,953.90	4,275.69			(15.59)		3,938.31	4,304.38	44.28	0.00
FNMA	2007A Single Family	5.25	03/20/08	02/01/38	19,301.09	20,887.55			(73.04)		19,228.05	21,015.93	201.42	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	14,913.89	16,127.84			(6,463.66)		8,450.23	9,236.29	(427.89)	0.00
FNMA	2007A Single Family	6.00	03/27/08	03/01/38	13,342.74	14,583.27			(2,085.25)		11,247.49	12,393.65	(84.37)	0.00
FNMA	2007A Single Family	5.25	04/15/08	04/01/38	3,808.37	4,118.45			(16.42)		3,791.95	4,145.78	43.75	0.00
FNMA	2007A Single Family	6.00	04/29/08	04/01/38	3,063.77	3,348.73			(9.73)		3,054.04	3,365.37	26.37	0.00
FNMA	2007A Single Family	6.00	02/04/09	10/01/38	1,512.90	1,654.02			(4.63)		1,508.27	1,662.44	13.05	0.00
	<b>2007A Single Family Total</b>				<b>113,984,915.99</b>	<b>122,734,384.71</b>	<b>4,326,823.42</b>	<b>(11,584,387.93)</b>	<b>(3,293,004.55)</b>	<b>0.00</b>	<b>103,434,346.93</b>	<b>112,429,370.87</b>	<b>245,555.22</b>	<b>0.00</b>
Repo Agmt	2007B Single Family	0.20	11/30/10	12/01/10	204,107.00	204,107.00			(94,295.80)		109,811.20	109,811.20	-	0.00
Repo Agmt	2007B Single Family	0.20	11/30/10	12/01/10	6,435,851.84	6,435,851.84			(5,182,405.47)		1,253,446.37	1,253,446.37	-	0.00
GLC's	2007B Single Family	4.52	09/20/07	08/31/39	322,272.52	322,272.52	3,675,577.67				3,997,850.19	3,997,850.19	-	0.00
Repo Agmt	2007B Single Family				713,741.03	713,741.03			(713,741.03)				-	0.00
FNMA	2007B Single Family	5.25	10/29/09	10/01/39	98,059.60	106,107.14			(324.14)		97,735.46	106,856.78	1,073.78	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	228,959.21	245,759.23			(866.21)		228,093.00	247,999.53	3,106.51	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	163,010.34	174,971.33			(612.95)		162,397.39	176,567.17	2,208.79	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	611,266.09	656,123.39			(2,491.12)		608,774.97	662,063.72	8,431.45	0.00
Freddie Mac	2007B Single Family	6.00	12/20/07	12/01/37	125,599.57	130,253.77			(549.49)		125,050.08	131,085.42	1,381.14	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	443,249.03	475,776.52			(1,666.29)		441,582.74	480,116.32	6,006.09	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	488,790.51	524,668.56			(1,964.60)		486,825.91	529,336.74	6,631.79	0.00
Freddie Mac	2007B Single Family	6.00	01/16/08	12/01/37	111,419.72	115,537.91			(410.43)		111,009.29	116,356.55	1,229.07	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	207,952.32	223,216.80			(778.99)		207,173.33	225,251.70	2,813.89	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	01/01/38	408,759.64	438,768.97			(1,990.46)		406,769.18	442,294.15	5,515.64	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	12/01/37	257,579.31	276,488.08			(896.29)		256,683.03	279,003.92	3,511.12	0.00
Freddie Mac	2007B Single Family	6.00	01/30/08	01/01/38	101,778.95	105,452.48			(374.72)		101,404.23	106,282.58	1,204.82	0.00
Freddie Mac	2007B Single Family	6.00	02/13/08	01/01/38	166,103.67	166,103.67			(624.40)		159,700.51	167,375.59	1,896.32	0.00
Freddie Mac	2007B Single Family	5.25	02/13/08	01/01/38	209,814.91	225,220.66			(782.56)		209,032.36	227,277.77	2,839.66	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	02/01/38	73,149.19	78,522.25			(270.09)		72,879.10	79,238.76	986.60	0.00
Freddie Mac	2007B Single Family	6.00	03/20/08	03/01/38	145,384.68	150,603.80			(532.01)		144,852.67	151,792.73	1,720.94	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	11/01/37	120,406.26	129,249.88			(513.59)		119,892.67	130,593.24	1,856.95	0.00
Freddie Mac	2007B Single Family	6.00	04/22/08	02/01/38	61,843.70	64,107.15			(236.07)		61,607.63	64,552.71	681.63	0.00
Freddie Mac	2007B Single Family	5.25	04/22/08	01/01/38	147,962.23	158,833.94			(549.57)		147,412.66	160,282.56	1,998.19	0.00
Freddie Mac	2007B Single Family	5.25	05/14/08	04/01/38	274,168.23	294,340.45			(1,007.44)		273,180.79	297,025.85	3,692.84	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Freddie Mac	2007B Single Family	6.00	05/15/08	04/01/38	151,789.62	157,207.18			(552.67)		151,236.95	158,451.28	1,796.77	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	04/01/38	325,519.34	349,446.09			(1,197.35)		324,321.99	352,632.83	4,384.09	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	05/01/38	228,569.59	245,370.42			(832.00)		227,737.59	247,608.62	3,070.20	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	04/01/38	249,060.45	267,368.29			(914.26)		248,146.17	269,808.79	3,354.78	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	05/01/38	133,886.30	143,728.24			(485.39)		133,400.91	145,041.42	1,798.57	0.00
Freddie Mac	2007B Single Family	6.00	06/18/08	05/01/38	283,530.63	293,613.42			(1,182.40)		282,348.23	295,780.09	3,349.07	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	02/01/38	78,796.35	84,589.50			(416.11)		78,380.24	85,367.22	1,193.83	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	05/01/38	141,254.80	151,640.55			(512.09)		140,742.71	153,026.04	1,897.58	0.00
Freddie Mac	2007B Single Family	6.00	06/25/08	05/01/38	101,080.23	104,672.25			(361.52)		100,718.71	105,507.53	1,196.80	0.00
Freddie Mac	2007B Single Family	6.00	07/16/08	06/01/38	157,238.72	162,813.43			(872.11)		156,366.61	163,788.06	1,846.74	0.00
Freddie Mac	2007B Single Family	5.25	07/16/08	06/01/38	215,614.93	231,472.88			(814.93)		214,800.00	233,560.03	2,902.08	0.00
Freddie Mac	2007B Single Family	6.00	07/23/08	06/01/38	143,725.12	148,817.16			(651.70)		143,073.42	149,965.11	1,699.68	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	06/01/38	148,305.32	153,548.37			(713.90)		147,591.42	154,581.66	1,747.19	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	09/01/38	71,200.54	73,716.58			(250.17)		70,950.37	74,309.45	843.04	0.00
Freddie Mac	2007B Single Family	6.00	08/20/08	06/01/38	148,821.82	154,079.42			(610.28)		148,211.54	155,227.40	1,758.26	0.00
Freddie Mac	2007B Single Family	6.00	08/27/08	08/01/38	295,506.77	305,934.43			(1,058.02)		294,448.75	308,374.28	3,497.87	0.00
Freddie Mac	2007B Single Family	6.00	09/17/08	08/01/38	211,810.97	219,372.94			(27,691.97)		184,219.00	192,917.46	1,236.49	0.00
Freddie Mac	2007B Single Family	5.25	09/17/08	08/01/38	81,954.34	87,985.95			(322.55)		81,631.79	88,760.44	1,087.04	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	08/01/38	175,652.81	188,581.34			(625.31)		175,027.50	190,306.06	2,350.03	0.00
Freddie Mac	2007B Single Family	6.00	09/24/08	06/01/38	97,230.94	100,653.74			(347.85)		96,883.09	101,456.94	1,151.05	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	06/01/38	140,801.49	151,164.38			(508.82)		140,292.67	152,547.13	1,891.57	0.00
Freddie Mac	2007B Single Family	5.25	10/08/08	09/01/38	109,056.55	117,084.72			(1,308.78)		107,749.77	117,712.61	1,934.67	0.00
Freddie Mac	2007B Single Family	6.00	10/15/08	09/01/38	217,830.41	225,270.14			(817.41)		216,813.00	227,026.88	2,574.15	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	07/01/38	121,092.94	130,008.08			(433.53)		120,659.41	131,195.65	1,621.10	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	07/01/38	74,267.87	76,874.24			(262.60)		74,005.27	77,490.82	879.28	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	09/01/38	75,518.67	78,167.82			(263.77)		75,254.90	78,798.13	894.08	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	08/01/38	149,430.30	160,431.85			(654.05)		148,876.25	161,896.10	2,018.30	0.00
Freddie Mac	2007B Single Family	5.25	11/19/08	09/01/38	112,008.59	120,257.57			(414.36)		111,594.23	121,338.19	1,494.98	0.00
Freddie Mac	2007B Single Family	5.25	12/10/08	11/01/38	312,217.29	335,216.56			(1,114.54)		311,102.75	338,279.02	4,177.00	0.00
Freddie Mac	2007B Single Family	6.00	12/17/08	11/01/38	164,000.75	169,718.35			(676.78)		163,323.97	170,978.20	1,936.63	0.00
Freddie Mac	2007B Single Family	5.25	01/14/09	11/01/38	81,957.82	87,997.33			(286.68)		81,671.14	88,802.72	1,082.07	0.00
Freddie Mac	2007B Single Family	6.00	01/14/09	11/01/38	201,682.71	208,693.54			(697.53)		200,985.18	210,383.96	2,387.95	0.00
Freddie Mac	2007B Single Family	6.00	02/18/09	01/01/39	130,913.24	135,445.76			(454.11)		130,459.13	136,541.34	1,549.69	0.00
Freddie Mac	2007B Single Family	5.25	02/18/09	12/01/38	111,778.78	120,018.94			(388.22)		111,390.56	121,119.31	1,488.59	0.00
Freddie Mac	2007B Single Family	5.49	02/18/09	09/01/38	135,584.51	139,305.51			(514.57)		135,069.94	141,124.04	2,333.10	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	10/01/38	47,071.69	50,122.83			(180.99)		46,890.70	50,419.94	478.10	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	12/01/38	68,287.37	72,713.82			(273.02)		68,014.35	73,143.95	703.15	0.00
Freddie Mac	2007B Single Family	4.75	03/11/09	12/01/38	80,921.50	86,168.22			(307.22)		80,614.28	86,682.48	821.48	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	02/01/39	70,948.19	76,173.30			(243.46)		70,704.73	76,879.25	949.41	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	01/01/39	79,273.85	85,119.94			(1,031.80)		78,242.05	85,292.30	1,204.16	0.00
Freddie Mac	2007B Single Family	6.00	03/25/09	11/01/38	51,097.47	52,880.62			(413.34)		50,684.13	53,041.27	593.99	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	12/01/38	61,885.32	66,449.02			(377.22)		61,508.10	67,125.95	1,054.15	0.00
GNMA	2007B Single Family	5.25	12/28/07	12/20/37	282,486.27	304,651.50			(1,088.86)		281,397.41	304,089.42	526.78	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	458,095.18	482,853.79			(1,750.41)		456,344.77	487,946.43	6,843.05	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	1,804,628.27	1,967,520.65			(113,956.98)		1,690,671.29	1,846,784.79	(6,778.88)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	112,686.92	122,858.44			(420.10)		112,266.82	122,633.31	194.97	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	185,842.13	197,023.40			(682.59)		185,159.54	198,218.05	1,877.24	0.00
GNMA	2007B Single Family	5.25	12/11/07	12/20/37	1,933,966.88	2,108,540.24			(7,501.54)		1,926,465.34	2,104,357.99	3,319.29	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	247,329.83	269,654.75			(826.39)		246,403.44	269,155.90	427.54	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	825,260.56	899,762.54			(3,150.32)		822,110.24	898,033.29	1,421.07	0.00
GNMA	2007B Single Family	6.00	12/20/07	12/20/37	90,890.71	96,238.81			(333.76)		90,556.95	96,822.58	917.53	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	344,875.37	376,009.64			(1,289.35)		343,586.02	375,316.65	596.36	0.00
GNMA	2007B Single Family	5.25	12/20/07	11/20/37	121,847.90	132,847.54			(458.01)		121,389.89	132,599.87	210.34	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	180,305.90	196,583.40			(816.81)		179,489.09	196,065.19	288.80	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	295,201.46	313,045.78			(1,078.15)		294,123.31	314,943.20	2,975.56	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	392,621.18	426,937.61			(1,610.95)		391,010.23	426,040.64	713.98	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	241,359.65	262,909.16			(889.87)		240,469.78	262,463.05	443.76	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	239,064.97	259,960.04			(880.88)		238,184.08	259,522.84	443.69	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	144,594.14	153,215.76			(547.59)		144,046.55	154,121.89	1,453.72	0.00
GNMA	2007B Single Family	6.00	01/16/08	12/20/37	448,974.59	477,514.19			(147,166.12)		301,808.47	323,662.28	(6,685.79)	0.00
GNMA	2007B Single Family	5.25	01/16/08	12/20/37	374,083.16	407,865.33			(1,461.80)		372,621.36	407,044.14	640.61	0.00
GNMA	2007B Single Family	5.25	01/16/08	01/20/38	1,804,624.48	1,965,720.72			(6,840.76)		1,797,783.70	1,962,180.84	3,300.90	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	542,776.15	590,216.60			(136,306.93)		406,469.22	442,884.58	(11,025.09)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	185,143.33	201,676.54			(705.33)		184,438.00	201,309.31	338.10	0.00
GNMA	2007B Single Family	5.25	02/13/08	02/20/38	334,607.33	364,488.69			(104,652.63)		229,954.50	250,890.42	(8,845.44)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	123,406.38	130,047.89			(448.04)		122,957.34	131,115.44	1,516.59	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	133,904.71	145,860.27			(493.03)		133,411.68	145,613.49	246.25	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	132,446.80	144,272.17			(487.65)		131,959.15	144,028.11	243.59	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	390,106.36	424,936.61			(1,488.80)		388,617.56	424,160.44	712.63	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	333,051.51	353,683.45			(1,212.78)		331,838.73	355,342.14	2,871.47	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	495,878.54	540,160.21			(1,835.63)		494,042.91	539,235.06	910.48	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	409,270.65	445,818.27			(1,511.72)		407,758.93	445,058.31	751.76	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	367,834.49	400,706.60			(1,344.46)		366,490.03	400,039.04	676.90	0.00
GNMA	2007B Single Family	6.00	04/08/08	04/20/38	262,714.79	278,503.79			(102,636.20)		160,078.59	171,271.93	(4,595.66)	0.00
GNMA	2007B Single Family	5.25	04/08/08	04/20/38	341,214.33	371,708.62			(139,139.19)		202,075.14	220,574.06	(11,995.37)	0.00
GNMA	2007B Single Family	6.00	03/12/08	03/20/38	109,548.90	115,769.71			(808.60)		108,740.30	116,111.63	1,150.52	0.00
GNMA	2007B Single Family	5.25	03/12/08	03/20/38	371,920.76	405,147.00			(128,094.76)		242,826.00	265,047.43	(11,004.81)	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	507,225.85	552,544.27			(2,117.89)		505,107.96	551,335.67	909.29	0.00
GNMA	2007B Single Family	6.00	02/19/08	01/20/38	280,125.43	297,029.30			(1,360.65)		278,764.58	298,500.72	2,832.27	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	340,081.64	370,454.12			(1,348.01)		338,733.63	369,722.74	616.63	0.00
GNMA	2007B Single Family	6.00	02/19/08	02/20/38	198,821.24	210,753.64			(750.31)		198,070.93	212,025.00	2,021.67	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	628,445.44	684,571.43			(2,166.79)		625,278.65	682,482.33	1,077.69	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	240,138.40	253,036.27			(895.67)		239,242.53	255,332.40	3,190.00	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	226,260.50	246,469.69			(852.97)		225,407.53	246,031.00	414.28	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	332,574.93	362,279.92			(1,248.94)		331,325.98	361,640.34	609.36	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	170,144.11	185,341.07			(634.30)		169,509.81	185,018.94	312.17	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	184,886.01	194,817.82			(671.08)		184,214.93	196,646.77	2,500.03	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	361,666.25	393,991.41			(2,077.72)		359,608.53	392,510.57	596.88	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	136,219.32	148,389.93			(495.24)		135,724.08	148,145.61	250.92	0.00
GNMA	2007B Single Family				56,133.96	59,414.43			(56,133.96)				(3,280.47)	0.00
GNMA	2007B Single Family	5.25	03/27/08	03/20/38	293,452.17	319,673.10			(1,306.37)		292,145.80	318,885.38	518.65	0.00
GNMA	2007B Single Family	6.00	03/27/08	03/20/38	372,706.11	382,689.01			(1,409.95)		371,296.16	397,064.98	5,785.92	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	220,978.31	240,728.08			(815.61)		220,162.70	240,316.39	405.92	0.00
GNMA	2007B Single Family	6.00	04/15/08	04/20/38	93,194.53	99,021.19			(841.69)		92,352.84	99,189.45	1,009.95	0.00
GNMA	2007B Single Family	5.25	04/24/08	04/20/38	117,561.55	128,070.10			(429.13)		117,132.42	127,857.36	216.39	0.00
GNMA	2007B Single Family	6.00	04/22/08	04/20/38	316,910.70	333,872.71			(1,135.12)		315,775.58	336,980.53	4,242.94	0.00
GNMA	2007B Single Family	6.00	05/07/08	04/20/38	364,214.14	385,663.56			(1,331.11)		362,883.03	388,983.75	3,651.30	0.00
GNMA	2007B Single Family	5.25	05/07/08	05/20/38	1,370,515.09	1,493,046.22			(5,240.91)		1,365,274.18	1,490,306.13	2,500.82	0.00
GNMA	2007B Single Family	5.25	05/07/08	04/20/38	259,289.76	282,470.73			(946.61)		258,343.15	282,001.37	477.25	0.00
GNMA	2007B Single Family	5.25	05/14/08	04/20/38	513,111.33	556,988.39			(123,617.56)		389,493.77	425,165.38	(10,205.45)	0.00
GNMA	2007B Single Family	6.00	05/21/08	05/20/38	214,252.18	227,374.14			(767.79)		213,484.39	228,753.24	2,146.89	0.00
GNMA	2007B Single Family	5.25	05/21/08	05/20/38	153,282.09	166,988.65			(555.65)		152,726.44	166,715.49	282.49	0.00
GNMA	2007B Single Family	5.25	05/28/08	05/20/38	249,460.10	271,768.89			(911.76)		248,548.34	271,316.18	459.05	0.00
GNMA	2007B Single Family	6.00	05/28/08	05/20/38	262,040.30	277,741.13			(1,032.21)		261,008.09	279,342.10	2,633.18	0.00
GNMA	2007B Single Family	5.25	05/28/08	01/20/38	85,752.59	94,509.78			(323.11)		86,429.48	94,345.67	158.00	0.00
GNMA	2007B Single Family	6.00	06/11/08	06/20/38	422,903.81	448,914.75			(101,312.85)		321,591.16	344,191.03	(3,411.07)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	637,727.36	694,768.09			(317,894.89)		319,832.47	349,135.13	(27,738.07)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	312,433.23	340,378.38			(1,254.01)		311,179.22	339,689.01	564.64	0.00
GNMA	2007B Single Family	6.00	07/09/08	07/20/38	956,300.93	1,007,218.40			(4,524.01)		951,776.92	1,017,003.47	14,309.08	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	873,865.20	952,056.79			(126,657.12)		747,208.08	815,691.98	(9,707.79)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	452,360.71	492,837.00			(100,563.94)		351,796.77	384,039.96	(8,233.08)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	167,102.43	182,054.39			(613.43)		166,489.00	181,748.18	307.22	0.00
GNMA	2007B Single Family	6.00	07/16/08	07/20/38	141,830.91	150,367.02			(1,321.57)		140,509.34	150,525.10	1,479.65	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	153,949.09	167,725.67			(567.13)		153,381.96	167,452.50	283.96	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	315,366.56	332,182.07			(1,199.82)		314,167.74	335,391.52	4,408.27	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	96,004.62	104,592.67			(364.36)		95,650.26	104,414.66	176.35	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	249,906.15	272,261.44			(1,244.44)		248,661.71	271,446.52	429.52	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	162,413.10	172,041.07			(102,890.81)		59,522.29	63,522.10	(5,626.16)	0.00
GNMA	2007B Single Family	6.00	06/25/08	06/20/38	558,412.17	588,173.91			(150,219.83)		408,192.34	436,161.03	(1,793.05)	0.00
GNMA	2007B Single Family	5.25	06/25/08	06/20/38	514,799.57	560,854.79			(1,880.63)		512,938.94	559,943.37	949.21	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	1,035,027.14	1,127,649.46			(3,727.32)		1,031,299.82	1,125,632.88	1,910.74	0.00
GNMA	2007B Single Family	6.00	07/23/08	07/20/38	314,375.23	333,194.85			(1,153.02)		313,222.21	335,190.69	3,149.06	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	1,331,683.81	1,450,864.95			(211,489.65)		1,120,194.16	1,222,884.23	(16,481.07)	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	230,778.35	251,432.21			(820.08)		229,958.27	251,038.91	426.78	0.00
GNMA	2007B Single Family	6.00	07/29/08	07/20/38	38,207.79	40,346.23			(133.85)		38,073.94	40,582.75	380.37	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	533,094.20	580,807.85			(1,911.21)		531,182.99	579,880.96	984.32	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	336,651.77	366,783.22			(1,201.89)		335,449.88	366,203.39	622.06	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	64,725.14	68,503.00			(226.49)		64,498.65	68,920.93	644.42	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	397,315.97	432,891.01			(1,532.72)		395,783.25	432,081.96	723.67	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	372,461.33	405,810.95			(1,315.67)		371,145.66	405,184.78	689.50	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	957,223.39	1,008,072.15			(111,846.70)		845,374.69	898,949.54	2,726.09	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	2,213,071.41	2,411,189.81			(127,391.27)		2,085,680.14	2,276,933.20	(6,865.34)	0.00
GNMA	2007B Single Family	5.25	08/13/08	07/20/38	1,211,215.95	1,319,643.70			(130,922.12)		1,080,293.83	1,179,351.26	(9,370.32)	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	211,272.72	222,495.75			(748.13)		210,524.59	224,484.68	2,737.06	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	380,317.90	414,364.68			(1,377.49)		378,940.41	413,688.56	701.37	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	653,963.13	712,507.21			(2,528.93)		651,434.20	711,169.56	1,191.28	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	6.00	08/20/08	08/20/38	270,768.95	285,147.46			(870.74)		269,799.21	287,920.63	3,743.91	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	884,180.11	963,340.45			(3,916.56)		880,263.55	960,988.92	1,565.03	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	231,997.05	252,767.66			(833.97)		231,163.08	252,362.11	428.42	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	142,449.82	155,204.58			(506.05)		141,943.77	154,961.98	263.45	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	253,309.45	275,990.37			(892.91)		252,416.54	275,566.56	469.10	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	365,730.58	385,141.86			(109,391.74)		256,338.84	272,562.33	(3,187.79)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	956,922.35	1,040,803.68			(3,411.36)		953,510.99	1,039,177.18	1,784.86	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	293,846.04	320,156.55			(1,122.84)		292,723.20	319,569.50	536.19	0.00
GNMA	2007B Single Family	6.00	09/10/08	09/20/38	424,410.48	446,913.75			(125,951.55)		298,458.53	318,314.62	(2,647.18)	0.00
GNMA	2007B Single Family	5.25	09/10/08	09/20/38	1,571,090.49	1,711,791.20			(127,235.29)		1,443,855.20	1,576,303.51	(6,252.40)	0.00
GNMA	2007B Single Family	5.25	09/10/08	08/20/38	843,497.19	919,035.67			(3,001.91)		840,495.28	917,593.19	1,559.43	0.00
GNMA	2007B Single Family	5.25	09/17/08	09/20/38	289,923.41	315,890.04			(1,052.32)		288,871.09	315,372.16	534.44	0.00
GNMA	2007B Single Family	5.25	09/17/08	08/20/38	237,759.73	259,053.86			(838.16)		236,921.57	258,656.00	440.30	0.00
GNMA	2007B Single Family	5.25	09/24/08	07/20/38	116,974.05	127,451.09			(414.89)		116,559.16	127,252.59	216.39	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	289,221.29	304,543.00			(1,035.15)		288,186.14	307,520.86	4,013.01	0.00
GNMA	2007B Single Family	5.25	08/24/08	09/20/38	658,387.52	717,361.01			(2,710.06)		655,677.46	715,834.47	1,833.52	0.00
GNMA	2007B Single Family	5.25	09/24/08	08/20/38	93,953.46	102,270.74			(537.20)		93,526.26	102,106.77	173.23	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	139,959.60	152,496.16			(517.24)		139,442.36	152,235.92	257.00	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	310,857.90	327,325.80			(1,090.34)		309,777.56	328,888.14	2,642.68	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	739,147.53	805,354.93			(2,633.80)		736,513.73	804,087.32	1,366.19	0.00
GNMA	2007B Single Family	6.00	10/08/08	10/20/38	738,816.65	780,930.67			(3,077.81)		735,741.84	785,206.24	7,353.38	0.00
GNMA	2007B Single Family	5.25	10/08/08	09/20/38	483,673.01	527,004.34			(1,725.07)		481,947.94	526,173.10	893.93	0.00
GNMA	2007B Single Family	6.00	10/15/08	09/20/38	121,575.73	130,108.04			(423.11)		121,152.62	129,648.01	(69.92)	0.00
GNMA	2007B Single Family	6.00	10/15/08	06/20/38	88,368.96	93,465.88			(311.60)		88,057.36	94,036.84	832.56	0.00
GNMA	2007B Single Family	6.00	10/15/08	07/20/38	127,860.72	134,627.18			(561.74)		127,298.98	135,629.87	1,564.43	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	576,288.42	606,760.87			(2,056.77)		574,231.65	613,592.44	8,888.34	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	725,190.36	790,171.55			(2,687.60)		722,502.76	788,815.80	1,331.65	0.00
GNMA	2007B Single Family	5.25	10/22/08	07/20/38	260,977.54	284,360.88			(981.86)		259,995.68	283,856.61	477.59	0.00
GNMA	2007B Single Family	5.25	10/22/08	09/20/38	298,676.36	325,436.80			(1,053.50)		297,622.86	324,938.34	553.04	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	496,254.22	522,494.65			(2,526.07)		493,728.15	527,632.76	7,664.18	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	543,741.89	592,464.27			(1,938.58)		541,803.31	591,531.15	1,005.46	0.00
GNMA	2007B Single Family	5.25	10/22/08	08/20/38	129,432.58	141,029.93			(482.41)		128,950.17	140,784.80	237.28	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	266,827.63	290,739.26			(934.11)		265,893.52	290,299.86	494.71	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	386,871.33	410,471.62			(1,354.52)		385,516.81	412,972.21	3,855.11	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	297,195.96	312,903.84			(1,028.75)		296,167.21	316,006.47	4,131.38	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	391,891.20	427,010.35			(1,366.14)		390,525.06	426,371.30	727.09	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	231,442.24	252,182.81			(816.52)		230,625.72	251,794.81	428.52	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	313,649.66	330,227.23			(2,354.47)		311,295.19	332,689.05	4,816.29	0.00
GNMA	2007B Single Family	5.25	10/29/08	09/20/38	193,144.07	210,452.14			(749.04)		192,395.03	210,054.28	351.18	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	857,309.82	902,576.44			(3,000.74)		854,309.08	912,818.14	13,242.44	0.00
GNMA	2007B Single Family	5.25	11/12/08	10/20/38	260,922.88	284,308.39			(940.23)		259,982.65	283,850.45	481.29	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	269,929.67	284,182.14			(925.61)		269,004.06	286,834.97	3,578.44	0.00
GNMA	2007B Single Family	5.25	11/19/08	08/20/38	103,333.59	112,595.75			(574.87)		102,758.72	112,411.46	190.38	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	415,348.88	437,272.45			(102,891.48)		312,457.40	332,140.80	(2,240.17)	0.00
GNMA	2007B Single Family	5.25	11/19/08	11/20/38	339,014.40	369,403.61			(1,180.86)		337,833.54	368,852.19	629.44	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	226,507.62	238,463.45			(626.73)		225,880.89	240,610.45	2,973.73	0.00
GNMA	2007B Single Family	5.25	11/25/08	10/20/38	59,525.89	64,862.06			(210.72)		59,315.17	64,761.47	110.13	0.00
GNMA	2007B Single Family	5.25	11/25/08	11/20/38	264,713.16	288,443.73			(115,021.71)		149,691.45	163,436.53	(9,985.49)	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	338,171.01	352,265.35			(910.51)		337,260.50	353,724.03	2,369.19	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	363,661.96	382,847.69			(1,245.09)		362,416.60	387,015.48	5,412.88	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	1,031,593.61	1,085,966.13			(80,973.95)		950,619.66	1,015,636.49	10,644.31	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	1,070,404.55	1,166,381.42			(104,236.27)		966,168.28	1,054,900.72	(7,244.43)	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	144,116.44	157,038.50			(498.72)		143,617.72	156,807.48	267.70	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	396,465.88	417,362.52			(1,445.00)		395,020.88	421,797.66	5,880.14	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	199,976.98	210,512.58			(689.85)		199,287.13	211,447.95	1,625.22	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	420,462.90	442,612.42			(96,470.19)		323,992.71	345,462.96	(679.27)	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	316,490.72	333,163.08			(1,887.10)		314,603.62	335,673.43	4,397.45	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	186,513.41	196,339.65			(638.43)		185,874.98	198,215.34	2,514.12	0.00
GNMA	2007B Single Family	6.00	02/18/09	01/20/39	75,404.41	79,751.12			(275.84)		75,128.77	80,218.62	743.14	0.00
GNMA	2007B Single Family	6.00	02/18/09	02/20/39	283,772.97	298,513.49			(958.80)		282,814.17	301,260.04	3,705.35	0.00
GNMA	2007B Single Family	5.25	02/25/09	02/20/39	170,590.81	185,914.74			(654.33)		169,936.48	185,533.54	273.13	0.00
GNMA	2007B Single Family	5.49	02/25/09	01/20/39	79,379.31	82,911.33			(281.83)		79,097.48	82,820.31	200.81	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	1,099,695.94	1,156,793.69			(5,800.13)		1,093,895.81	1,167,772.41	16,778.85	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	130,435.84	142,143.06			(448.50)		129,987.34	141,936.96	242.40	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	130,197.57	141,833.39			(470.31)		129,727.26	141,652.94	239.86	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	478,349.44	503,195.99			(1,614.73)		476,734.71	508,572.11	7,000.85	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	67,267.43	71,116.49			(226.77)		67,038.66	71,553.25	666.13	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	128,457.48	129,867.57			(415.36)		128,042.12	130,933.67	1,481.46	0.00

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GNMA	2007B Single Family	5.25	03/11/09	02/20/39	146,331.36	159,478.53			(550.37)		145,780.99	159,163.44	235.28	0.00
GNMA	2007B Single Family	5.25	03/11/09	01/20/39	121,121.21	132,003.11			(414.07)		120,707.14	131,787.60	198.56	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	482,764.98	507,808.24			(1,679.37)		481,085.61	511,230.79	5,101.92	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	96,301.82	101,764.98			(348.77)		95,953.05	102,366.67	950.46	0.00
GNMA	2007B Single Family	6.00	03/18/09	03/20/39	640,768.69	673,990.18			(2,292.32)		638,476.37	681,078.95	9,381.09	0.00
GNMA	2007B Single Family	5.25	03/25/09	12/20/38	58,483.75	63,734.78			(201.44)		58,282.31	63,642.05	108.71	0.00
GNMA	2007B Single Family	6.00	03/25/09	03/20/39	66,951.71	70,777.37			(223.98)		66,727.73	71,215.30	661.91	0.00
GNMA	2007B Single Family	6.00	03/25/09	01/20/39	122,747.32	129,109.70			(416.01)		122,331.31	130,162.92	1,469.23	0.00
GNMA	2007B Single Family	6.00	03/25/09	02/20/39	107,968.56	113,564.36			(362.91)		107,605.65	114,533.33	1,331.88	0.00
GNMA	2007B Single Family	6.00	04/08/09	10/20/38	76,657.45	81,063.44			(278.80)		76,378.65	81,632.84	848.00	0.00
GNMA	2007B Single Family	5.25	04/08/09	01/20/39	63,372.24	69,067.81			(217.10)		63,155.14	68,954.55	103.84	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	763,402.45	831,870.75			(2,701.90)		760,700.55	830,582.24	1,413.39	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	165,614.98	177,027.67			(589.43)		165,025.55	176,389.31	(48.93)	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	523,482.79	551,036.39			(1,789.99)		521,692.80	557,354.95	8,108.55	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	299,361.20	315,118.08			(1,163.81)		298,197.39	318,115.19	4,160.92	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	961,406.16	1,047,623.06			(233,004.25)		728,401.91	795,316.47	(19,312.34)	0.00
GNMA	2007B Single Family	6.00	01/14/09	12/20/38	183,640.18	194,582.16			(633.13)		183,007.05	195,909.01	1,959.98	0.00
GNMA	2007B Single Family	5.25	01/14/09	01/20/39	328,770.12	358,286.78			(1,157.43)		327,612.69	357,665.26	535.91	0.00
GNMA	2007B Single Family	5.25	01/14/09	12/20/38	268,909.60	293,032.39			(927.48)		267,982.12	292,604.71	499.80	0.00
GNMA	2007B Single Family	6.00	01/14/09	01/20/39	795,263.27	836,670.73			(161,294.82)		633,968.65	676,877.37	1,501.26	0.00
GNMA	2007B Single Family	6.00	01/21/09	01/20/39	556,463.87	585,424.63			(1,919.80)		554,544.07	589,397.97	5,893.14	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	238,971.21	251,391.54			(886.75)		238,084.46	253,914.26	3,409.47	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	189,506.00	206,525.72			(648.32)		188,857.68	206,188.02	310.62	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	369,249.36	402,411.98			(1,354.57)		367,894.79	401,654.28	596.87	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	285,215.81	300,038.68			(1,343.36)		283,872.45	302,823.38	4,127.06	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	129,970.21	141,842.95			(445.11)		129,525.10	141,410.82	212.98	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	173,256.67	188,817.00			(618.75)		172,637.92	188,479.86	281.61	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	228,892.96	240,789.50			(774.77)		228,118.19	242,957.20	2,942.47	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	232,526.58	253,410.02			(839.09)		231,687.49	252,948.07	377.14	0.00
GNMA	2007B Single Family	6.00	06/24/09	06/20/39	107,170.22	113,242.87			(354.41)		106,815.81	113,950.15	1,061.69	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39	176,559.01	192,462.28			(667.70)		175,891.31	192,078.04	283.46	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39	141,868.95	154,647.58			(465.94)		141,403.01	154,415.90	234.26	0.00
GNMA	2007B Single Family	6.00	09/16/09	06/20/39	239,701.35	251,976.25			(778.36)		238,922.99	254,321.46	3,123.57	0.00
GNMA	2007B Single Family	6.00	09/29/09	09/20/39	312,154.21	326,124.48			(1,012.85)		311,141.36	331,250.96	4,139.33	0.00
GNMA	2007B Single Family	5.25	09/29/09	09/20/39	255,103.46	278,085.71			(1,091.26)		254,012.20	277,392.36	387.91	0.00
GNMA	2007B Single Family	5.25	10/15/09	09/20/39	408,564.85	445,380.10			(1,331.65)		407,233.20	444,724.02	675.57	0.00
GNMA	2007B Single Family	5.25	10/29/09	10/20/39	463,050.81	504,783.87			(1,707.93)		461,342.88	503,823.28	747.34	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	204,565.46	223,008.29			(666.15)		203,899.31	222,680.43	338.29	0.00
GNMA	2007B Single Family	6.00	11/24/09	09/20/39	149,508.14	157,128.56			(482.67)		149,025.47	158,506.28	1,860.39	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	265,876.11	289,846.44			(920.32)		264,955.79	289,360.78	434.66	0.00
GNMA	2007B Single Family	5.25	05/18/10	04/20/40	76,183.06	83,070.74			(237.72)		75,945.34	82,963.76	130.74	0.00
GNMA	2007B Single Family	5.25	05/18/10	04/20/40	2,156,331.83	2,351,284.73			(141,553.88)		2,014,777.95	2,200,971.84	(8,759.01)	0.00
GNMA	2007B Single Family	5.25	05/25/10	05/20/40	1,680,520.75	1,832,470.65			(5,298.67)		1,675,222.08	1,830,051.02	2,879.04	0.00
GNMA	2007B Single Family	6.00	12/17/09	11/20/39	177,071.38	187,154.01			(564.93)		176,506.45	188,355.37	1,766.29	0.00
GNMA	2007B Single Family	5.25	12/17/09	12/20/39	531,811.21	579,773.07			(1,737.84)		530,073.57	578,914.33	878.90	0.00
GNMA	2007B Single Family	5.25	12/17/09	11/20/39	92,667.04	101,024.18			(334.87)		92,332.17	100,839.50	150.19	0.00
GNMA	2007B Single Family	5.25	12/29/09	12/20/39	175,817.63	191,676.21			(578.61)		175,239.02	191,387.96	290.36	0.00
GNMA	2007B Single Family	6.00	12/29/09	12/20/39	281,076.35	295,368.61			(900.23)		280,176.12	298,352.92	3,866.54	0.00
GNMA	2007B Single Family	5.25	01/20/10	12/20/39	531,346.53	579,287.58			(1,700.46)		529,646.07	578,468.47	881.35	0.00
GNMA	2007B Single Family	6.00	01/20/10	01/20/40	155,293.05	164,088.01			(492.01)		154,801.04	165,145.23	1,549.23	0.00
GNMA	2007B Single Family	5.25	01/27/10	12/20/39	584,007.09	636,704.63			(2,269.03)		581,738.06	635,367.43	931.83	0.00
GNMA	2007B Single Family	6.00	01/27/10	12/20/39	204,137.63	214,495.96			(653.36)		203,484.27	216,470.81	2,628.21	0.00
GNMA	2007B Single Family	5.25	02/17/10	01/20/40	330,947.93	360,832.61			(1,058.20)		329,889.73	360,340.08	565.67	0.00
GNMA	2007B Single Family	5.25	02/23/10	12/20/39	264,668.21	288,558.86			(852.55)		263,815.66	288,144.80	438.49	0.00
GNMA	2007B Single Family	6.00	02/23/10	01/20/40	86,776.11	91,575.08			(273.70)		86,502.41	92,166.55	865.17	0.00
GNMA	2007B Single Family	5.25	02/23/10	02/20/40	969,335.30	1,056,874.02			(282,942.87)		686,392.43	749,754.96	(24,176.19)	0.00
GNMA	2007B Single Family	6.00	03/16/10	03/20/40	247,496.24	261,608.09			(774.65)		246,721.59	263,304.78	2,471.34	0.00
GNMA	2007B Single Family	5.25	03/30/10	03/20/40	2,334,397.32	2,545,309.94			(9,125.11)		2,325,272.21	2,540,021.35	3,836.52	0.00
GNMA	2007B Single Family	5.25	03/30/10	02/20/40	79,263.43	86,424.88			(349.99)		78,913.44	86,201.46	126.57	0.00
GNMA	2007B Single Family	5.25	04/13/10	03/20/40	232,319.69	253,313.59			(1,700.46)		230,619.23	251,921.75	308.62	0.00
GNMA	2007B Single Family	5.25	04/13/10	04/20/40	2,536,729.16	2,765,967.25			(8,263.88)		2,528,465.28	2,762,024.92	4,321.55	0.00
GNMA	2007B Single Family	5.25	04/13/10	04/20/40	617,570.76	673,379.14			(71,603.96)		545,966.80	596,398.90	(5,376.28)	0.00
GNMA	2007B Single Family	5.25	04/22/10	04/20/40	1,923,370.97	2,097,202.56			(6,776.53)		1,916,594.44	2,093,655.45	3,229.42	0.00
GNMA	2007B Single Family	5.25	04/22/10	04/20/40	71,715.65	78,197.22			(228.99)		71,486.66	78,090.82	122.59	0.00
GNMA	2007B Single Family	5.25	04/28/10	04/20/40	1,662,584.59	1,834,665.38			(5,649.57)		1,676,935.02	1,831,866.67	2,850.86	0.00
GNMA	2007B Single Family	5.25	06/15/10	06/20/40	2,189,285.13	2,367,292.23			(8,122.98)		2,181,162.15	2,362,807.02	3,637.77	0.00
GNMA	2007B Single Family	5.25	07/20/10	07/20/40	1,223,181.94	1,333,862.37			(3,713.33)		1,219,468.61	1,332,257.72	2,108.68	0.00
GNMA	2007B Single Family	5.25	07/28/10	06/20/40	71,480.39	77,949.05			(220.37)		71,260.02	77,851.59	122.91	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	5.25	07/28/10	07/20/40	1,652,724.33	1,802,288.60			(5,133.61)		1,647,590.72	1,799,993.39	2,638.40	0.00
GNMA	2007B Single Family	5.25	08/17/10	07/20/40	1,156,916.17	1,261,640.08			(6,448.61)		1,148,467.56	1,254,729.12	1,537.65	0.00
GNMA	2007B Single Family	5.25	08/24/10	08/20/40	1,212,363.35	1,322,115.70			(3,751.42)		1,208,611.93	1,320,449.01	2,084.73	0.00
GNMA	2007B Single Family	5.25	09/14/10	08/20/40			734,031.01				734,031.01	801,971.33	67,940.32	0.00
GNMA	2007B Single Family	5.25	06/29/10	04/20/40	231,202.46	252,117.12			(722.13)		230,480.35	251,791.44	396.45	0.00
GNMA	2007B Single Family	5.25	06/29/10	06/20/40	1,468,417.13	1,601,250.55			(4,584.35)		1,463,832.78	1,599,186.01	2,519.81	0.00
GNMA	2007B Single Family	5.25	09/21/10	08/20/40			985,546.08				985,546.08	1,076,774.79	91,228.71	0.00
GNMA	2007B Single Family	5.25	10/19/10	10/20/40			1,667,335.85				1,667,335.85	1,821,732.74	154,396.89	0.00
GNMA	2007B Single Family	5.25	11/09/10	10/20/40			579,089.33				579,089.33	632,728.28	53,638.95	0.00
FNMA	2007B Single Family	6.00	12/11/07	12/01/37	66,434.75	69,422.72			(244.98)		66,189.77	69,756.83	579.09	0.00
FNMA	2007B Single Family	5.25	12/11/07	11/01/37	205,757.44	222,649.35			(772.73)		204,984.71	224,026.26	2,149.64	0.00
FNMA	2007B Single Family	5.25	12/12/07	12/01/37	1,751,360.68	1,895,146.56			(282,617.54)		1,468,743.14	1,605,362.80	(7,166.22)	0.00
FNMA	2007B Single Family	5.25	12/20/07	11/01/37	137,548.84	148,842.15			(519.50)		137,029.34	149,759.57	1,436.92	0.00
FNMA	2007B Single Family	6.00	12/20/07	12/01/37	89,353.30	93,369.37			(329.66)		89,023.64	93,818.67	778.96	0.00
FNMA	2007B Single Family	5.25	12/20/07	12/01/37	459,134.79	496,633.06			(1,721.32)		457,413.47	499,904.23	4,792.49	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	341,337.94	369,366.45			(1,396.74)		339,941.20	371,779.41	3,809.70	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	83,972.51	90,867.81			(10,676.10)		73,296.41	80,826.87	635.16	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	350,615.56	379,405.90			(1,310.75)		349,304.81	381,755.64	3,660.49	0.00
FNMA	2007B Single Family	6.00	01/16/08	12/01/37	315,189.32	329,327.26			(1,157.85)		314,031.47	330,917.25	2,747.84	0.00
FNMA	2007B Single Family	5.25	01/16/08	12/01/37	1,805,579.91	1,953,874.34			(152,436.83)		1,653,143.08	1,806,818.03	5,380.52	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	256,559.88	277,634.85			(1,154.25)		255,405.63	279,156.26	2,675.66	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	374,973.80	391,753.75			(1,754.42)		373,219.38	393,266.12	3,266.79	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	477,996.12	517,261.84			(229,493.42)		248,502.70	271,589.63	(16,178.79)	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	155,764.24	168,589.40			(579.45)		155,184.79	169,603.15	1,623.20	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	134,023.85	140,021.34			(507.76)		133,516.09	140,687.59	1,174.01	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	246,782.44	266,855.49			(926.14)		245,856.30	268,704.79	2,775.44	0.00
FNMA	2007B Single Family	6.00	02/13/08	11/01/37	339,168.60	354,336.70			(1,494.83)		337,673.77	355,802.86	2,960.79	0.00
FNMA	2007B Single Family	5.25	02/13/08	02/01/38	357,389.80	429,719.21			(1,492.35)		395,897.45	432,684.04	4,457.18	0.00
FNMA	2007B Single Family	5.25	02/13/08	01/01/38	348,482.45	376,832.29			(1,310.81)		347,171.64	379,433.42	3,911.94	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	204,948.77	221,622.89			(782.06)		204,166.71	223,160.28	2,299.45	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	204,928.04	221,600.47			(757.84)		204,170.20	223,142.24	2,299.61	0.00
FNMA	2007B Single Family	6.00	02/19/08	02/01/38	192,305.45	200,896.13			(700.02)		191,605.43	201,882.12	1,686.01	0.00
FNMA	2007B Single Family	6.00	02/27/08	02/01/38	386,179.50	403,420.82			(1,885.66)		384,293.84	404,895.16	3,360.00	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	501,211.79	541,994.12			(2,155.22)		499,056.57	545,450.35	5,611.45	0.00
FNMA	2007B Single Family	5.25	02/27/08	01/01/38	74,035.50	80,059.45			(359.18)		73,676.32	80,540.89	840.62	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	573,445.64	620,105.47			(2,309.69)		571,135.95	624,230.46	6,434.68	0.00
FNMA	2007B Single Family	6.00	03/20/08	03/01/38	433,755.44	453,084.51			(1,619.25)		432,136.19	455,265.76	3,800.50	0.00
FNMA	2007B Single Family	5.25	03/20/08	01/01/38	109,727.20	118,657.36			(432.68)		109,294.52	119,453.50	1,228.82	0.00
FNMA	2007B Single Family	5.25	03/20/08	02/01/38	535,635.93	579,662.88			(2,026.84)		533,609.09	583,225.60	5,589.56	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	413,884.46	447,573.39			(179,376.91)		234,507.55	256,321.91	(11,874.57)	0.00
FNMA	2007B Single Family	6.00	03/27/08	03/01/38	368,131.01	384,527.18			(57,934.74)		310,196.27	326,791.89	199.45	0.00
FNMA	2007B Single Family	5.25	04/15/08	04/01/38	105,688.89	114,293.71			(455.56)		105,233.33	115,052.14	1,213.99	0.00
FNMA	2007B Single Family	6.00	04/29/08	04/01/38	84,543.24	88,293.48			(302.76)		84,240.48	88,737.10	741.38	0.00
FNMA	2007B Single Family	6.00	02/04/09	10/01/38	41,798.73	43,612.88			(144.59)		41,654.14	43,835.00	366.71	0.00
Repo Agmt	2007B Single Family	0.20	11/30/10	12/01/10	3,790,161.77	3,790,161.77		(3,430,422.46)			359,739.31	359,739.31	-	0.00
	<b>2007B Single Family Total</b>				<b>138,640,843.96</b>	<b>148,563,144.45</b>	<b>7,641,579.94</b>	<b>(9,420,864.76)</b>	<b>(5,599,713.96)</b>	<b>0.00</b>	<b>131,261,845.18</b>	<b>141,868,548.91</b>	<b>684,403.24</b>	<b>0.00</b>
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	53,354.35	57,254.45			(362.69)		52,991.66	56,689.10	(192.46)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	46,960.03	50,382.97			(248.26)		46,711.67	49,980.18	(164.43)	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	11,611.57	12,506.59			(63.99)		11,547.58	12,401.28	(41.32)	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	20,527.01	22,026.18			(121.19)		20,405.82	21,832.26	(72.73)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	62,953.77	67,553.17			(407.52)		62,546.25	66,920.03	(225.62)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	19,282.17	20,691.12			(125.77)		19,156.40	20,496.18	(69.17)	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	17,077.45	18,325.42			(94.41)		16,983.04	18,170.93	(60.08)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	44,244.22	47,477.58			(245.04)		43,999.18	47,076.86	(155.68)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	90,395.88	97,003.08			(487.60)		89,908.28	96,198.30	(317.18)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	55,367.28	59,415.13			(4,545.27)		50,822.01	54,378.41	(491.45)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	46,824.42	50,247.99			(264.04)		46,560.38	49,797.45	(166.50)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	104,430.92	111,933.86			(606.97)		103,823.95	111,013.63	(313.26)	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	48,941.50	52,458.03			(312.44)		48,629.06	51,996.84	(148.75)	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	1,877.97	2,052.52			(11.98)		1,865.99	2,042.37	1.83	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	69,542.78	74,539.79			(488.75)		69,054.03	73,836.59	(214.45)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	9,522.44	10,407.56			(43.23)		9,479.21	10,375.33	11.00	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	93,177.06	99,872.92			(661.66)		92,515.40	98,923.44	(287.82)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	101,059.50	108,322.89			(609.67)		100,449.83	107,408.52	(304.70)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	41,205.61	44,167.39			(233.10)		40,972.51	43,811.12	(123.17)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	84,761.39	90,853.88			(472.47)		84,288.92	90,128.55	(252.86)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	40,368.87	43,270.72			(217.85)		40,151.02	42,932.93	(119.94)	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	56,277.20	60,322.91			(13,448.56)		42,828.64	45,796.32	(1,078.03)	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	63,213.10	67,758.13			(344.50)		62,868.60	67,225.56	(188.07)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	16,342.80	17,517.71			(6,850.45)		9,492.15	10,150.02	(517.24)	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	38,297.44	41,051.46			(212.82)		38,084.62	40,724.41	(114.23)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	21,698.24	23,245.81			(114.81)		21,571.43	23,066.71	(64.29)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	42,555.41	45,616.51			(242.31)		42,313.10	45,246.88	(127.32)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	24,421.13	26,277.43			(127.34)		24,293.79	26,077.05	(73.04)	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	54,373.29	58,285.11			(280.35)		54,092.94	57,844.10	(160.66)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	40,460.87	43,372.10			(232.00)		40,228.87	43,018.92	(121.18)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	64,918.05	69,589.52			(5,620.43)		59,097.62	63,196.74	(572.35)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	37,986.23	40,687.78			(6,123.20)		31,833.03	34,041.23	(523.35)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	102,771.27	110,172.83			(625.65)		102,145.62	109,236.78	(310.40)	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	28,507.13	30,560.35			(150.92)		28,356.21	30,324.90	(84.53)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	45,088.71	48,517.71			(5,614.37)		39,474.34	42,373.43	(529.91)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	5,483.17	5,877.79			(27.85)		5,455.32	5,833.75	(16.19)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	34,568.36	37,197.63			(184.50)		34,383.86	36,909.43	(103.70)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	45,402.93	48,671.61			(243.07)		45,159.86	48,293.74	(134.80)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	45,376.95	48,828.77			(232.78)		45,144.17	48,460.54	(135.45)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	69,543.72	74,551.12			(436.91)		69,106.81	73,903.24	(210.97)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	33,793.46	36,226.90			(172.40)		33,621.06	35,954.76	(99.74)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,092.10	9,784.53			(46.16)		9,045.94	9,711.26	(27.11)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	10,822.03	11,602.16			(56.62)		10,765.41	11,513.49	(32.05)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	14,704.89	15,764.99			(91.63)		14,613.26	15,628.80	(44.56)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	18,249.96	19,638.90			(91.90)		18,158.06	19,492.96	(54.34)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	11,843.16	12,696.31			(60.17)		11,782.89	12,601.19	(34.95)	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	7,786.03	4,074.24			(18.87)		3,767.16	4,044.10	(11.27)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	27,424.26	29,511.82			(138.38)		27,285.88	29,291.73	(81.71)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	85,017.90	69,703.01			(372.54)		64,645.36	68,135.69	(194.78)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	111,833.48	119,893.15			(6,378.90)		105,454.58	112,780.58	(733.67)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	4,977.89	5,356.80			(25.47)		4,952.22	5,316.48	(14.85)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	8,958.16	9,604.12			(46.37)		8,911.79	9,531.27	(26.48)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	66,120.29	70,889.16			(4,977.32)		61,142.97	65,394.01	(517.83)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	18,159.71	19,543.62			(93.79)		18,065.92	19,395.56	(54.27)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	5,653.21	6,011.38			(30.42)		5,622.79	6,048.27	67.21	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	11,447.92	12,173.51			(71.17)		11,376.75	12,248.20	145.86	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	11,423.24	12,147.40			(61.87)		11,361.27	12,223.81	138.38	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	10,466.53	11,103.78			(65.30)		10,401.23	11,182.66	154.18	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	12,472.02	13,262.91			(68.03)		12,403.99	13,341.97	147.09	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	10,664.45	11,314.10			(89.88)		10,574.57	11,380.17	155.95	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	15,446.12	16,387.91			(108.47)		15,337.65	16,504.28	224.94	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	10,740.41	11,395.49			(67.87)		10,672.44	11,473.58	146.06	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,641.23	4,924.40			(23.61)		4,617.62	4,960.85	60.06	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	9,121.51	9,678.08			(56.78)		9,064.73	9,760.43	138.13	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,314.65	8,000.60			(35.73)		7,278.92	7,973.62	8.75	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	7,963.90	8,710.56			(38.31)		7,925.59	8,691.84	9.59	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	11,059.38	12,097.31			(54.02)		11,005.36	12,056.54	13.25	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	17,190.89	18,771.66			(83.01)		17,107.88	18,710.00	21.35	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	10,775.33	11,786.53			(50.72)		10,724.61	11,748.90	13.09	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	2,255.58	2,467.16			(11.22)		2,244.36	2,458.82	2.68	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	3,891.61	4,256.61			(18.87)		3,872.74	4,242.41	4.67	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,036.69	4,415.42			(20.21)		4,016.48	4,400.00	4.79	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,263.46	13,414.03			(58.99)		12,204.47	13,369.82	14.78	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,207.89	2,415.05			(13.48)		2,194.41	2,403.96	2.39	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	9,433.30	10,301.11			(45.50)		9,387.40	10,266.89	11.69	0.00
Repo Agmt	2002 A-D SF MRB	0.20	11/30/10	12/01/10	3,698.14	3,698.14					0.07	0.07	-	0.00
Repo Agmt	2002 A-D SF MRB	0.20	11/30/10	12/01/10	0.14	0.14	0.00	(3,698.07)			0.14	0.14	-	0.00
Repo Agmt	2002 A-D SF MRB	0.20	11/30/10	12/01/10	155,005.24	155,005.24					32,186.55	32,186.55	-	0.00
Repo Agmt	2002 A-D SF MRB	0.20	11/30/10	12/01/10	2,753,848.68	2,753,848.68					354,684.34	354,684.34	-	0.00
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34	1.67	1.67	1,286,222.32	(2,389,164.34)			1,286,223.99	1,286,223.99	-	0.00
GIC's	2002 A-D SF MRB	4.51	06/26/02	08/31/12	0.11	0.11	2,714.92				2,715.03	2,715.03	-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	62,632.97	68,561.99			(387.87)		62,245.10	68,240.94	66.82	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	46,589.71	51,796.72			(233.76)		46,355.95	52,586.45	1,053.49	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	173,176.44	189,581.96			(959.23)		172,217.21	188,818.26	195.56	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	09/20/32	59,117.19	65,682.11			(306.17)		58,811.02	66,711.33	1,335.39	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	225,782.95	247,161.34			(1,359.44)		224,423.51	246,046.42	244.52	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	169,008.10	186,668.54			(1,052.84)		168,955.26	189,386.34	3,770.64	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	21,616.20	231,654.35			(1,545.88)		210,070.32	230,311.45	202.98	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	106,576.38	118,414.73			(718.74)		105,857.64	120,081.08	2,385.09	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	65,290.76	71,473.87			(358.40)		64,932.36	71,189.52	74.05	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	165,482.30	181,844.23			(4,667.98)		160,814.32	180,155.77	3,179.52	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	118,874.13	132,081.21			(712.07)		118,162.06	134,041.39	2,672.25	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	50,150.64	54,900.65			(457.12)		49,693.52	54,482.83	38.30	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	126,054.39	140,183.70			(823.69)		125,229.46	139,493.34	133.57	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	76,510.65	85,012.83			(372.96)		76,137.69	86,371.39	1,731.52	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	92,765.92	101,555.11			(503.53)		92,262.39	101,157.34	105.76	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	335,102.15	372,341.73			(1,837.71)		333,264.44	378,060.32	7,556.30	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	87,889.26	87,889.26			(629.23)		87,260.03	87,332.88	72.85	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	95,551.29	106,169.81			(520.27)		95,031.02	107,804.65	2,155.11	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	49,810.67	54,530.30			(650.34)		49,150.33	53,889.14	19.18	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	98,186.71	107,491.90			(1,122.46)		97,064.25	106,424.50	55.06	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	58,739.13	65,268.71			(319.39)		58,419.74	66,274.19	1,324.87	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	191,675.60	209,843.35			(1,032.32)		190,643.28	209,030.06	219.03	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	111,728.83	124,148.85			(578.96)		111,149.87	126,093.77	2,523.88	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	94,719.71	103,697.54			(507.91)		94,211.80	103,298.09	108.46	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	56,457.46	62,733.72			(295.61)		56,161.85	63,713.10	1,274.99	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	369,025.31	408,751.40			(2,231.21)		366,794.10	414,844.02	8,323.83	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	92,371.19	101,099.89			(495.55)		91,875.64	100,724.22	119.88	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	98,655.79	110,383.92			(545.49)		99,110.30	112,093.75	2,255.32	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	95,830.35	104,885.85			(510.47)		95,319.88	104,500.09	124.71	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	97,116.25	107,571.49			(638.02)		96,478.23	109,117.41	2,183.94	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	213,101.29	233,239.64			(1,215.56)		211,885.73	232,293.86	269.58	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	247,339.62	273,971.89			(1,886.82)		245,452.80	277,612.93	5,527.86	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	160,240.57	177,495.33			(821.10)		159,419.47	180,308.10	3,633.87	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	109,803.91	120,184.78			(577.47)		109,226.44	118,750.82	143.61	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	314,443.50	348,304.70			(1,513.02)		312,930.48	353,935.38	7,143.70	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	241,885.75	267,935.61			(1,166.52)		240,719.23	272,284.08	5,494.99	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	146,780.86	162,590.88			(736.78)		146,044.10	165,184.82	3,330.72	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	42,228.42	46,777.45			(198.57)		42,029.85	47,538.92	960.04	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	93,367.63	103,425.05			(442.08)		92,925.55	105,105.14	2,122.17	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	219,433.97	243,072.29			(1,138.55)		218,295.42	246,908.25	4,974.51	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	66,346.91	73,494.09			(320.21)		66,026.70	74,681.10	1,507.22	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	50,880.42	56,362.10			(244.19)		50,636.23	57,273.96	1,156.05	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	105,963.35	117,380.05			(501.72)		105,461.63	119,286.83	2,408.50	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	82,433.58	91,314.87			(406.13)		82,027.45	92,780.33	1,871.58	0.00
GNMA	2002 A-D SF MRB				48,229.65	53,426.56			(48,229.65)				(5,196.91)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	78,940.71	87,446.80			(386.57)		78,554.14	88,352.83	1,792.60	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	38,474.20	42,621.40			(179.93)		38,294.27	43,316.25	874.78	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	48,726.52	53,980.54			(233.94)		48,492.58	54,853.83	1,107.23	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	82,022.87	90,867.61			(400.37)		81,622.50	92,330.13	1,862.69	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	45,635.13	50,556.26			(210.77)		45,424.36	51,383.51	1,038.02	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	55,899.34	62,041.64			(258.38)		55,740.96	63,057.06	1,273.80	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	54,702.69	60,604.99			(252.32)		54,450.37	61,597.06	1,244.39	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	59,671.74	65,990.85			(259.43)		59,412.31	67,091.06	1,359.64	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	175,211.50	191,643.87			(856.05)		174,355.45	190,997.69	209.87	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	37,585.86	41,567.02			(167.28)		37,418.58	42,255.65	855.91	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	190,762.42	208,650.05			(917.74)		189,844.68	207,962.20	229.89	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	284,913.61	289,775.10			(1,293.74)		283,619.87	288,798.66	317.30	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	411,783.43	449,650.35			(1,988.44)		409,795.04	448,173.51	511.60	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	258,105.59	282,331.03			(1,214.93)		256,890.66	281,429.61	313.51	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	54,029.92	59,097.80			(268.99)		53,760.93	58,893.10	64.29	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	93,216.99	101,961.45			(452.02)		92,764.97	101,621.41	111.98	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	96,693.78	105,765.61			(484.01)		96,209.77	105,396.32	114.72	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	293,754.00	321,315.60			(1,413.10)		292,340.90	320,256.44	353.94	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	52,886.94	57,849.41			(322.84)		52,564.10	57,583.76	57.19	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	97,209.97	106,341.57			(463.61)		96,746.36	105,995.44	117.48	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	977,429.83	1,048,877.81			(6,647.90)		970,781.93	1,038,704.09	(3,525.82)	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	860,288.64	923,178.53			(4,549.78)		855,738.86	915,616.50	(3,012.25)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	225,962.84	246,749.67			(1,099.62)		224,863.22	245,929.97	279.92	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,150,792.96	1,258,843.98			(88,466.05)		1,062,326.91	1,163,839.67	(6,538.26)	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	212,715.10	229,115.65			(1,172.22)		211,542.88	227,186.33	(767.10)	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	240,944.36	263,112.04			(1,178.89)		239,765.47	262,231.01	267.86	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	376,039.26	403,510.66			(2,218.97)		373,819.29	399,958.00	(1,332.69)	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,153,287.26	1,237,546.38			(7,465.63)		1,145,821.63	1,225,947.45	(4,133.30)	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	231,338.82	253,063.65			(1,086.05)		230,252.77	252,258.82	281.22	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	353,241.62	379,052.83			(2,303.94)		350,937.68	375,481.65	(1,267.24)	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	63,972.46	69,980.40			(295.22)		63,677.24	69,763.44	78.26	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	312,852.26	335,714.31			(1,728.63)		311,123.63	332,834.05	(1,100.60)	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	810,535.37	869,769.72			(4,498.66)		806,046.41	862,428.70	(2,852.06)	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	1,656,014.39	1,777,056.47			(8,932.61)		1,647,081.78	1,762,313.34	(5,810.52)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,014,306.18	1,088,460.71			(63,267.54)		931,038.64	996,190.13	(8,003.04)	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	857,805.03	920,522.64			(5,203.37)		852,601.66	912,268.96	(3,050.31)	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	1,913,131.77	2,050,582.26			(11,118.46)		1,902,013.31	2,033,724.05	(5,738.75)	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	417,464.60	456,296.33			(1,324.63)		415,539.97	454,841.53	479.33	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	896,588.74	961,009.68			(5,723.87)		890,864.87	952,560.81	(2,725.00)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	34,403.71	37,601.48			(218.66)		34,184.05	37,415.55	33.73	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	1,273,984.78	1,365,538.34			(8,950.40)		1,265,034.38	1,352,656.04	(3,928.90)	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	174,447.00	180,662.33			(791.83)		173,655.17	180,071.95	201.45	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	1,706,954.83	1,829,630.78			(12,121.18)		1,694,829.65	1,812,236.69	(5,272.91)	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	1,851,367.67	1,984,430.64			(11,168.67)		1,840,199.00	1,967,679.81	(5,582.16)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	754,869.87	809,129.56			(4,270.30)		750,599.57	802,601.81	(2,256.45)	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,552,793.96	1,664,405.68			(6,652.21)		1,544,138.45	1,651,117.82	(4,632.65)	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	97,229.76	106,368.68			(448.4					

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,158,038.48	1,241,301.26			(6,311.30)		1,151,727.18	1,231,544.78	(3,445.18)	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	299,389.28	320,917.25			(125,487.36)		173,891.92	185,944.20	(9,475.69)	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	117,703.83	128,650.45			(563.09)		117,140.54	128,220.53	133.17	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	701,593.82	752,045.85			(3,899.81)		697,695.01	746,054.53	(2,092.51)	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	397,282.80	425,853.80			(2,103.38)		395,179.42	422,572.74	(1,177.68)	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	779,597.49	835,875.67			(4,438.79)		775,158.70	828,904.21	(2,332.67)	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	447,385.81	481,391.69			(2,332.98)		445,052.83	477,720.77	(1,337.94)	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	99,799.08	99,799.08			(452.87)		99,346.21	108,560.77	118.10	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	996,095.93	1,067,759.14			(5,135.71)		990,960.22	1,059,680.00	(2,943.43)	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	741,228.10	794,559.08			(4,250.10)		736,978.00	788,088.95	(2,220.03)	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	124,143.72	135,895.08			(564.37)		123,579.35	135,273.96	143.25	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,189,271.02	1,274,851.39			(106,627.88)		1,082,643.14	1,157,738.40	(10,485.11)	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	102,346.64	111,676.43			(488.70)		101,857.94	111,306.61	118.88	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	695,342.56	745,383.36			(112,174.47)		583,168.09	623,621.42	(5,587.47)	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	1,882,727.26	2,018,320.82			(11,461.64)		1,871,265.62	2,001,172.90	(5,686.26)	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	40,987.71	44,804.51			(226.97)		40,760.74	44,620.99	43.45	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	522,238.70	559,853.08			(2,764.76)		519,473.94	555,538.79	(1,548.53)	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	826,007.34	888,524.58			(102,852.90)		723,154.44	776,263.87	(9,707.81)	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	72,269.03	78,995.53			(323.88)		71,945.15	78,755.48	83.83	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	100,454.76	107,678.74			(510.20)		99,944.56	106,871.94	(296.60)	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	633,278.12	681,445.34			(3,379.96)		629,898.16	676,165.56	(1,899.82)	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	70,141.20	76,670.47			(326.53)		69,814.67	76,424.15	80.21	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	831,763.05	891,643.95			(4,452.83)		827,310.22	884,721.56	(2,469.56)	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	831,287.07	894,523.01			(4,264.51)		827,022.56	887,777.24	(2,481.26)	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	1,274,012.44	1,365,745.89			(8,004.02)		1,266,008.42	1,353,877.00	(3,864.87)	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	619,082.49	663,661.99			(3,158.19)		615,924.30	658,676.46	(1,827.34)	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	166,564.23	179,248.61			(845.68)		165,718.55	177,906.30	(496.63)	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	55,680.00	60,868.08			(258.28)		55,421.72	60,672.43	63.63	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	198,255.49	212,546.88			(1,037.27)		197,218.22	210,922.50	(587.11)	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	269,387.86	286,806.32			(1,678.52)		267,709.34	286,313.35	(816.45)	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	334,332.50	359,776.76			(1,683.40)		332,649.10	357,087.67	(985.69)	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	216,962.07	232,591.34			(1,102.50)		215,859.57	230,848.70	(640.14)	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	69,358.81	74,636.46			(345.76)		69,013.05	74,086.39	(206.31)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	502,401.13	540,644.32			(2,535.16)		499,865.97	536,612.48	(1,486.68)	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,191,101.27	1,276,930.46			(6,824.74)		1,184,276.53	1,266,537.55	(3,588.17)	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,048,743.40	2,196,393.07			(116,858.90)		1,931,884.50	2,096,083.84	(13,440.33)	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	91,189.48	98,134.53			(466.50)		90,722.99	97,385.78	(272.25)	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	164,109.96	175,943.63			(849.22)		163,260.74	174,609.05	(485.36)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,211,295.83	1,298,660.15			(91,182.46)		1,120,113.37	1,197,991.28	(9,486.41)	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	332,678.82	358,031.13			(1,718.12)		330,960.70	355,318.83	(994.18)	0.00
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	72,036.81	79,848.48			(330.27)		71,706.54	80,644.75	1,126.54	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	53,088.87	57,484.41			(330.20)		52,758.67	57,147.29	(6.92)	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	49,822.03	55,222.45			(1,037.03)		48,785.00	54,391.89	206.47	0.00
FNMA	2002 A-D SF MRB				43,188.62	47,671.99			(43,188.62)				(4,683.37)	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	97,375.76	106,987.45			(430.02)		96,945.76	108,894.95	3,337.52	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	284,653.21	307,748.00			(100,116.43)		184,536.78	202,379.39	(5,252.18)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	103,584.43	110,126.00			(557.28)		103,027.15	110,801.96	1,233.24	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	209,721.31	223,013.83			(1,303.87)		208,417.44	224,382.13	2,672.17	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	208,289.02	222,535.51			(1,135.24)		208,133.78	223,935.25	2,534.96	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	191,741.87	203,416.69			(1,196.33)		190,545.54	205,044.89	2,824.53	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	228,482.80	242,971.26			(1,246.25)		227,236.55	244,419.48	2,694.47	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	79,532.05	85,980.12			(364.67)		79,167.38	86,726.49	1,104.04	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	195,368.45	207,268.68			(1,646.76)		193,721.69	208,480.04	2,857.12	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	282,966.70	300,218.82			(1,986.94)		280,979.76	302,353.53	4,120.65	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	105,642.13	113,946.51			(479.57)		105,162.56	115,195.13	1,728.19	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	196,760.29	208,760.80			(1,245.15)		195,515.14	210,191.34	2,675.69	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	85,025.60	90,212.99			(432.48)		84,593.12	90,880.90	1,100.39	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	167,102.62	177,296.58			(1,040.24)		166,062.38	178,807.12	2,548.80	0.00
Repo Agmt	2002 A-D SF MRB				19.68	19.68								0.00
Freddie Mac	2002 A-D SF MRB				2,398.13	2,577.79		(19.68)	(2,398.13)				(179.66)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	06/18/08	04/01/38	4,804.69	5,164.72			(18.05)		4,786.64	5,222.65	75.98	0.00
Freddie Mac	2002 A-D SF MRB	5.63	06/18/08	03/01/38	1,964.88	2,119.00			(8.53)		1,956.96	2,155.74	45.67	0.00
Freddie Mac	2002 A-D SF MRB	5.13	06/25/08	12/01/37	2,561.24	2,767.06			(8.85)		2,571.39	2,796.74	29.53	0.00
Freddie Mac	2002 A-D SF MRB	5.13	07/16/08	06/01/38	3,877.83	4,157.09			(16.02)		3,861.81	4,165.25	44.79	0.00
Freddie Mac	2002 A-D SF MRB	5.63	07/16/08	05/01/38	1,568.91	1,689.53			(5.35)		1,563.56	1,712.63	28.45	0.00
Freddie Mac	2002 A-D SF MRB	5.38	07/23/08	03/01/38	1,732.69	1,862.58			(8.24)		1,724.45	1,863.52	27.18	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	2,669.99	2,870.03			(9.33)		2,660.50	2,902.33	41.64	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	1,274.25	1,369.78			(22.24)		1,252.01	1,374.43	26.89	0.00
Freddie Mac	2002 A-D SF MRB	5.63	09/24/08	07/01/38	2,555.32	2,755.45			(8.56)		2,546.76	2,793.27	46.38	0.00
Freddie Mac	2002 A-D SF MRB	5.13	10/22/08	03/01/38	3,701.13	3,967.93			(13.88)		3,687.25	3,996.25	42.20	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/19/08	10/01/38	3,352.65	3,594.43			(12.31)		3,340.34	3,620.10	37.98	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/25/08	10/01/38	2,673.08	2,865.96			(16.66)		2,656.42	2,879.84	30.64	0.00
Freddie Mac	2002 A-D SF MRB	5.25	12/18/08	09/01/38	4,014.08	4,309.79			(34.84)		3,979.44	4,332.23	57.08	0.00
Freddie Mac	2002 A-D SF MRB	5.13	12/30/08	12/01/38	2,932.61	3,144.21			(10.41)		2,922.20	3,166.84	33.04	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	16,267.80	17,759.21			(65.90)		16,202.20	17,719.78		



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	7,708.76	8,443.24			(34.78)		7,673.98	8,467.83	59.37	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	16,335.65	17,831.34			(2,213.54)		14,120.11	15,442.87	(174.93)	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	3,581.58	3,922.89			(13.36)		3,568.22	3,937.40	27.87	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	1,614.42	1,788.24			(6.00)		1,608.42	1,774.80	12.56	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	16,836.90	18,301.94			(85.29)		16,751.61	18,246.05	29.40	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	14,626.72	15,968.10			(76.23)		14,550.49	15,913.76	21.89	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	8,179.40	8,890.98			(33.91)		8,145.49	8,872.03	14.96	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	21,350.24	23,208.86			(88.63)		21,261.61	23,159.25	39.02	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	14,575.18	15,964.92			(63.08)		14,512.10	16,014.36	112.52	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	13,421.00	14,422.00			(50.47)		12,242.60	13,380.21	19.58	0.00
GNMA	2002 A-D SF MRB	5.13	03/27/07	03/20/37	12,470.78	13,555.97			(80.46)		12,390.32	13,495.77	20.26	0.00
GNMA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	4,442.46	4,865.86			(16.58)		4,425.88	4,883.84	34.56	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	8,114.71	8,859.20			(2,368.69)		5,746.02	6,284.60	(205.91)	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	13,240.26	14,454.82			(51.48)		13,188.78	14,424.81	21.47	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	16,118.24	17,521.11			(65.85)		16,052.29	17,484.72	29.56	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	1,928.11	2,111.93			(7.10)		1,921.01	2,119.84	15.01	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	8,030.66	8,728.84			(34.62)		7,996.04	8,709.78	14.56	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	5,996.21	6,588.03			(22.03)		5,974.18	6,582.70	46.70	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	6,145.94	6,709.93			(23.85)		6,122.09	6,696.06	9.98	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	19,643.00	21,445.91			(76.73)		19,566.27	21,400.98	31.81	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	17,229.25	18,728.63			(69.54)		17,159.71	18,691.75	31.66	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	17,625.90	19,243.92			(68.18)		17,557.72	19,204.34	28.60	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	3,064.05	3,356.38			(11.52)		3,052.53	3,368.70	23.84	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	29,954.60	32,563.67			(139.02)		29,815.58	32,478.08	53.43	0.00
GNMA	2002 A-D SF MRB	5.38	06/19/07	05/20/37	5,044.04	5,507.13			(19.13)		5,024.91	5,486.22	8.22	0.00
GNMA	2002 A-D SF MRB	5.13	06/19/07	06/20/37	14,897.06	16,194.86			(75.20)		14,821.86	16,145.70	26.04	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37	7,540.48	8,259.94			(1,516.91)		6,023.57	6,647.51	(85.52)	0.00
GNMA	2002 A-D SF MRB	5.13	08/07/07	07/20/37	28,145.54	30,512.89			(654.86)		27,490.68	29,960.88	2.95	0.00
GNMA	2002 A-D SF MRB	5.38	07/03/07	05/20/37	15,921.32	17,383.33			(61.78)		15,859.54	17,347.38	25.83	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37	11,617.74	10,705.09			(42.24)		10,662.85	11,585.45	19.95	0.00
GNMA	2002 A-D SF MRB	5.38	07/17/07	06/20/37	10,310.95	11,257.98			(38.08)		10,271.87	11,235.71	16.81	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37	6,001.68	6,513.44			(24.06)		5,977.62	6,500.54	11.16	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/08	04/20/38	2,583.11	2,820.21			(9.37)		2,573.74	2,815.93	5.09	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/08	04/20/38	6,942.80	7,545.42			(26.34)		6,916.76	7,530.99	11.61	0.00
GNMA	2002 A-D SF MRB	5.38	04/22/08	03/20/38	2,704.72	2,952.99			(9.87)		2,694.85	2,948.45	5.33	0.00
GNMA	2002 A-D SF MRB	5.63	04/22/08	03/20/38	5,497.51	6,018.68			(18.91)		5,478.60	6,043.07	43.30	0.00
GNMA	2002 A-D SF MRB	5.13	05/07/08	04/20/38	5,723.73	6,220.61			(21.65)		5,702.08	6,208.50	9.54	0.00
GNMA	2002 A-D SF MRB	5.63	05/07/08	04/20/38	5,725.63	6,268.48			(19.62)		5,706.01	6,283.97	45.11	0.00
GNMA	2002 A-D SF MRB	5.38	05/14/08	04/20/38	7,150.58	7,807.12			(26.74)		7,123.84	7,794.43	14.05	0.00
GNMA	2002 A-D SF MRB	5.13	05/21/08	05/20/38	12,062.85	13,087.50			(45.16)		12,017.69	13,062.94	20.60	0.00
GNMA	2002 A-D SF MRB	5.13	06/11/08	05/20/38	5,177.79	5,627.53			(19.92)		5,157.87	5,616.21	8.60	0.00
GNMA	2002 A-D SF MRB	5.63	07/09/08	06/20/38	6,239.24	6,831.27			(21.09)		6,218.15	6,859.36	49.18	0.00
GNMA	2002 A-D SF MRB	5.38	07/09/08	03/20/38	2,117.41	2,311.96			(7.54)		2,109.87	2,308.61	4.19	0.00
GNMA	2002 A-D SF MRB	5.13	07/16/08	06/20/38	2,414.51	2,624.31			(8.82)		2,405.69	2,619.54	4.05	0.00
GNMA	2002 A-D SF MRB	5.63	06/18/08	03/20/38	615.10	673.43			(2.17)		612.93	676.09	4.83	0.00
GNMA	2002 A-D SF MRB	5.63	06/25/08	05/20/38	3,902.19	4,272.40			(13.28)		3,888.91	4,289.87	30.75	0.00
GNMA	2002 A-D SF MRB	5.38	06/25/08	05/20/38	6,400.92	6,988.97			(22.59)		6,378.33	6,979.07	12.69	0.00
GNMA	2002 A-D SF MRB	5.38	07/23/08	06/20/38	7,089.26	7,740.77			(24.91)		7,064.35	7,729.94	14.08	0.00
GNMA	2002 A-D SF MRB	5.38	07/28/08	06/20/38	3,352.43	3,690.53			(11.71)		3,340.72	3,655.49	6.67	0.00
GNMA	2002 A-D SF MRB	5.13	08/27/08	08/20/38	5,043.59	5,482.15			(18.36)		5,025.23	5,472.26	8.47	0.00
GNMA	2002 A-D SF MRB	5.63	08/13/08	07/20/38	1,587.81	1,749.49			(6.33)		1,592.48	1,756.76	12.60	0.00
GNMA	2002 A-D SF MRB	5.38	08/13/08	07/20/38	3,486.96	3,807.47			(12.15)		3,474.81	3,802.25	6.93	0.00
GNMA	2002 A-D SF MRB	5.13	08/13/08	07/20/38	5,182.29	5,632.79			(19.95)		5,162.34	5,621.44	8.60	0.00
GNMA	2002 A-D SF MRB				2,287.60	2,504.82			(2,287.60)				(217.22)	0.00
GNMA	2002 A-D SF MRB	5.13	09/10/08	09/20/38	8,476.74	9,213.93			(31.27)		8,445.47	9,196.87	14.21	0.00
GNMA	2002 A-D SF MRB	5.13	09/24/08	08/20/38	2,357.33	2,574.16	145.92				2,503.25	2,726.00	5.92	0.00
GNMA	2002 A-D SF MRB				2,514.38	2,733.09			(2,514.38)				(218.71)	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	09/20/38	5,007.00	5,467.54			(18.00)		4,989.00	5,459.44	9.90	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	08/20/38	2,588.57	2,813.78			(6.38)		2,579.18	2,808.74	4.35	0.00
GNMA	2002 A-D SF MRB				2,686.21	2,941.41			(2,686.21)				(255.20)	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	09/20/38	1,369.31	1,488.45			(4.59)		1,364.32	1,485.77	2.31	0.00
GNMA	2002 A-D SF MRB	5.13	11/12/08	10/20/38	5,742.25	6,242.05			(20.79)		5,721.46	6,230.82	9.66	0.00
GNMA	2002 A-D SF MRB	5.38	11/12/08	10/20/38	1,879.16	2,052.09			(6.46)		1,872.70	2,049.39	3.76	0.00
GNMA	2002 A-D SF MRB	5.13	11/25/08	09/20/38	2,777.62	3,019.42			(10.28)		2,767.34	3,013.80	4.66	0.00
GNMA	2002 A-D SF MRB	5.38	11/25/08	11/20/38	10,347.84	11,300.38			(35.27)		10,312.57	11,285.75	20.64	0.00
GNMA	2002 A-D SF MRB	5.63	12/10/08	10/20/38	2,846.29	3,116.88			(9.40)		2,836.89	3,129.94	22.46	0.00
GNMA	2002 A-D SF MRB	5.38	12/10/08	11/20/38	3,490.18	3,811.50			(11.81)		3,478.37	3,806.65	6.95	0.00
GNMA	2002 A-D SF MRB	5.13	12/10/08	11/20/38	7,000.00	7,609.51			(26.19)		6,973.81	7,585.02	11.70	0.00
GNMA	2002 A-D SF MRB	5.38	12/17/08	11/20/38	4,400.22	4,605.37			(25.81)		4,374.41	4,787.33	7.77	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	8,474.53	9,234.49			(30.35)		8,444.18	9,219.80	15.66	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	2,506.01	2,730.74			(8.69)		2,497.32	2,726.70	4.65	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	5,759.76	6,276.28			(19.88)		5,739.88	6,267.10	10.70	0.00
GNMA	2002 A-D SF MRB	5.13	12/17/08	12/20/38	10,001.30	10,872.26			(2,867.05)		7,134.25	7,769.83	(235.36)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	5,845.52	6,369.71			(20.30)		5,825.22	6,360.27	10.86	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	12/20/38	12,130.28	13,218.13			(42.26)		12,088.03	13,198.37	22.50	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	10/20/38	5,271.48	5,744.23			(18.36)		5,253.12	5,735.66	9.79	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.13	12/30/08	12/20/38	1,828.25	1,828.78			(5.94)		1,676.31	1,625.69	2.95	0.00
GNMA	2002 A-D SF MRB	5.38	12/30/08	11/20/38	2,860.62	3,124.06			(12.45)		2,848.17	3,127.66	5.46	0.00
GNMA	2002 A-D SF MRB	5.25	12/30/08	12/20/38	1,940.71	2,114.77			(6.85)		1,933.88	2,111.51	3.59	0.00
GNMA	2002 A-D SF MRB	5.15	12/30/08	12/20/38	5,366.81	5,837.45			(18.86)		5,347.55	5,827.88	9.27	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	9,110.35	9,767.27			(38.69)		9,071.67	9,841.00	112.41	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	11,968.83	12,547.70			(128.02)		11,840.81	12,965.58	245.88	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	3,432.29	3,597.35			(13.04)		3,419.35	3,754.56	70.25	0.00
FNMA	2002 A-D SF MRB	5.13	03/20/07	09/01/36	1,496.07	1,603.95			(11.74)		1,484.33	1,623.12	30.91	0.00
FNMA	2002 A-D SF MRB	5.63	03/20/07	02/01/37	2,523.09	2,717.83			(10.64)		2,512.45	2,760.44	53.25	0.00
FNMA	2002 A-D SF MRB	5.38	03/20/07	09/01/36	2,523.05	2,716.48			(25.90)		2,502.15	2,744.79	52.21	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	6,246.11	6,692.82			(94.76)		6,211.35	6,744.29	96.23	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	20,643.28	22,159.50			(64.10)		20,559.18	22,453.00	377.60	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	4,739.80	5,105.77			(29.96)		4,709.84	5,179.82	104.01	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	17,597.49	18,827.99			(2,754.51)		14,842.98	16,100.56	27.08	0.00
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	26,930.06	28,960.16			(121.68)		26,808.38	29,283.42	444.94	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	6,617.27	7,294.01			(28.57)		6,788.70	7,363.91	98.47	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	2,466.00	2,958.47			(9.68)		2,456.32	2,698.91	52.12	0.00
FNMA	2002 A-D SF MRB	5.13	05/08/07	04/01/37	5,045.70	5,398.60			(21.09)		5,024.61	5,448.83	71.32	0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	4,964.15	5,221.48			(19.34)		4,844.81	5,291.64	89.50	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	4,024.25	4,305.72			(21.06)		4,003.17	4,343.62	58.98	0.00
FNMA	2002 A-D SF MRB	5.38	06/05/07	05/01/37	7,084.52	7,618.69			(42.25)		7,042.27	7,694.82	118.38	0.00
FNMA	2002 A-D SF MRB	5.63	06/05/07	05/01/37	2,848.31	2,852.87			(10.47)		2,837.84	2,895.82	53.42	0.00
FNMA	2002 A-D SF MRB	5.13	06/05/07	04/01/37	8,512.39	9,107.83			(45.52)		8,466.87	9,186.99	124.68	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	12,974.97	13,926.37			(5,168.48)		7,806.49	8,550.46	(209.43)	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	7,640.43	8,175.01			(69.98)		7,580.45	8,243.82	128.79	0.00
FNMA	2002 A-D SF MRB	5.13	04/08/08	03/01/38	3,225.65	3,480.25			(20.14)		3,205.51	3,507.38	47.27	0.00
FNMA	2002 A-D SF MRB	5.63	04/15/08	12/01/37	3,034.74	3,297.37			(13.25)		3,021.49	3,343.34	59.22	0.00
FNMA	2002 A-D SF MRB	5.38	04/15/08	01/01/38	2,703.74	2,931.08			(9.78)		2,693.96	2,954.24	32.94	0.00
FNMA	2002 A-D SF MRB	5.13	04/15/08	04/01/38	2,371.29	2,558.50			(8.84)		2,362.45	2,573.40	23.74	0.00
FNMA	2002 A-D SF MRB	5.38	04/29/08	04/01/38	3,370.47	3,653.95			(15.09)		3,355.38	3,687.26	48.40	0.00
	<b>2002 A-D SF MRB Total</b>				<b>62,588,512.33</b>	<b>67,236,524.76</b>	<b>1,289,083.16</b>	<b>(2,525,700.78)</b>	<b>(1,632,051.28)</b>	<b>0.00</b>	<b>59,719,843.43</b>	<b>64,278,660.70</b>	<b>(89,195.16)</b>	<b>0.00</b>
Repo Agmt	2004A Single Family (Jr. Lien)	0.20	11/30/10	12/01/10	3,894.30	3,894.30			(3,836.96)		57.34	57.34	-	0.00
Repo Agmt	2004A Single Family (Jr. Lien)	0.20	11/30/10	12/01/10	115,650.00	115,650.00	0.00				115,650.00	115,650.00	-	0.00
	<b>2004A Single Family (Jr. Lien) Total</b>				<b>119,544.30</b>	<b>119,544.30</b>	<b>0.00</b>	<b>(3,836.96)</b>	<b>0.00</b>	<b>0.00</b>	<b>115,707.34</b>	<b>115,707.34</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1991 A S/F (1980 A Refunding)	0.20	11/30/10	12/01/10	88,903.65	88,903.65			(34,871.41)		54,032.24	54,032.24	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	06/30/29	1,211,986.80	1,211,986.80			(376,011.53)		835,975.27	835,975.27	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				6.41	6.41			(6.41)		-	-	-	0.00
GIC's	1991 A S/F (1980 A Refunding)				105.47	105.47			(105.47)		-	-	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.20	11/30/10	12/01/10	17,079.69	17,079.69			(16,981.73)		97.96	97.96	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	08/31/12	657,588.86	657,588.86	16,500.00				674,088.86	674,088.86	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.20	11/30/10	12/01/10	0.01	0.01	0.00				0.01	0.01	-	0.00
	<b>1991 A S/F (1980 A Refunding) Total</b>				<b>1,975,670.89</b>	<b>1,975,670.89</b>	<b>16,500.00</b>	<b>(427,976.55)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,564,194.34</b>	<b>1,564,194.34</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	1994 A&B SF (1983 Refunding)				516.61	516.61			(516.61)		-	-	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				17.61	17.61			(17.61)		-	-	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	06/30/29	548.30	548.30			(377.55)		170.75	170.75	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	06/30/29	27,935.51	27,935.51			(19,125.31)		8,810.20	8,810.20	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	6,746.89	7,458.65			(74.45)		6,672.44	7,489.68	105.48	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	7,242.32	7,997.80			(97.56)		7,144.76	8,011.42	111.18	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	5,370.49	5,941.85			(124.97)		5,245.52	5,892.67	75.79	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	3,504.99	3,879.77			(1,155.49)		2,349.50	2,640.69	(83.59)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	8,163.50	9,033.70			(185.43)		7,978.07	8,964.02	115.75	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	7,291.64	7,955.69			(104.37)		7,187.27	7,972.34	121.02	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	3,591.19	3,914.56			(165.84)		3,425.35	3,796.01	47.29	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	11,826.74	12,889.56			(171.50)		11,655.24	12,914.30	196.24	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	5,662.55	6,174.07			(76.35)		5,586.20	6,192.29	94.57	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	8,872.86	9,668.27			(3,194.01)		5,678.85	6,291.09	(183.17)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	4,709.95	5,188.60			(56.74)		4,653.21	5,199.54	67.66	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	38,397.40	42,435.76			(475.87)		37,921.53	42,679.78	719.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	8,000.71	8,841.63			(161.86)		7,838.85	8,821.92	142.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	28,564.19	31,562.08			(317.79)		28,246.40	31,784.43	540.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	11,269.18	12,452.35			(1,417.08)		9,852.10	11,086.66	51.39	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	34,859.76	38,516.77			(446.61)		34,413.15	38,721.97	651.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	12,316.41	13,610.95			(163.82)		12,152.59	13,676.63	229.50	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	42,116.55	46,539.32			(1,935.40)		40,181.15	45,216.43	612.56	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	10,707.72	11,830.34			(193.16)		10,514.56	11,830.39	193.21	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	55,149.03	60,924.65			(843.44)		54,305.59	61,095.40	1,014.19	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	34,941.53	38,478.75			(563.31)		34,378.22	38,556.11	640.67	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	15,798.29	17,387.65			(286.90)		15,511.39	17,386.66	285.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	9,166.41	10,091.92			(236.94)		8,929.47	10,012.27	157.29	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	38,957.57	42,879.92			(514.25)		38,443.32	43,094.03	728.36	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	22,251.02	24,507.58			(264.94)		21,986.08	24,661.98	419.34	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	7,574.95	8,335.50			(111.97)		7,462.98	8,363.72	140.19	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	28,920.38	31,824.76			(324.82)		28,595.56	32,047.58	547.64	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	14,810.96	16,410.02			(249.12)		14,561.84	16,434.96	274.06	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	13,440.85	14,891.53			(151.36)		13,289.49	14,988.49	258.32	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	6,455.19	7,145.59			(80.48)		6,374.71	7,188.25	123.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	17,106.89	18,925.03			(289.02)		16,817.66	18,952.76	316.75	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	9,995.38	11,051.48			(62.73)		9,902.65	11,153.54	194.79	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	7,510.24	8,303.71			(307.11)		7,203.13	8,112.97	116.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	5,297.08	5,858.89			(74.56)		5,222.52	5,884.32	99.99	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	11,931.90	13,265.03			(174.89)		11,757.21	13,314.00	223.66	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	23,943.62	26,484.08			(212.19)		23,731.43	26,739.70	467.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	6,334.56	7,056.33			(50.05)		6,284.51	7,133.93	127.65	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	5,833.50	6,498.18			(66.68)		5,766.82	6,546.28	114.78	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	10,468.18	11,660.83			(3,476.71)		6,991.47	7,936.33	(247.79)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	3,239.86	3,609.02			(794.95)		2,444.91	2,775.37	(38.70)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	1,486.32	1,655.69			(65.35)		1,420.97	1,613.05	22.71	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	10,070.94	11,218.44			(124.39)		9,946.55	11,290.94	196.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	15,756.30	17,551.56			(147.27)		15,609.03	17,718.74	314.45	0.00
Repo Agmt	1984 A&B SF (1983 Refunding)	0.20	11/30/10	12/01/10	240,074.84	240,074.84		(173,113.79)			66,961.05	66,961.05	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/10/28	1,206.60	1,318.02			(23.68)		1,182.92	1,314.42	20.08	0.00
FNMA	1984 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	2,843.93	3,146.46			(21.90)		2,822.03	3,150.70	26.14	0.00
FNMA	1984 A&B SF (1983 Refunding)	6.25	06/26/98	05/01/28	691.00	764.50			(68.18)		622.82	695.35	(9.97)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	15,760.07	17,621.97			(160.81)		15,599.26	17,774.28	313.12	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	3,254.09	3,600.28			(326.25)		3,227.83	3,603.80	29.78	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	34,417.78	38,483.91			(988.60)		33,719.18	38,420.66	635.35	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	20,037.05	22,404.21			(196.74)		19,840.31	22,606.62	399.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	15,915.12	17,322.59			(128.33)		15,786.79	17,210.54	16.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	8.25	08/14/98	07/20/28	12,092.46	13,521.05			(127.24)		11,965.22	13,633.52	239.71	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	6,892.78	7,707.12			(55.98)		6,836.81	7,790.09	138.95	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	8,305.07	9,286.19			(79.04)		8,226.03	9,372.93	165.78	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	1,678.08	1,856.58			(32.28)		1,645.80	1,837.46	13.16	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,566.63	8,460.53			(59.93)		7,506.70	8,553.34	152.74	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	5,606.62	6,271.24			(51.19)		5,557.43	6,332.30	112.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,449.82	2,739.23			(19.09)		2,430.73	2,769.63	49.49	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	818.89	894.49			(19.46)		799.43	888.30	13.27	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	13,150.73	14,693.55			(136.01)		13,014.72	14,820.76	263.22	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	866.78	968.50			(16.77)		850.02	968.00	16.27	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	4,247.18	4,745.47			(43.83)		4,203.35	4,786.66	85.02	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	8,312.71	9,049.67			(73.46)		8,239.25	9,883.78	7.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	10,309.64	11,223.56			(99.69)		10,209.95	11,132.50	8.63	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,600.27	1,727.73			(11.58)		1,588.69	1,720.04	3.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	4,967.24	5,407.57			(149.84)		4,817.40	5,252.69	(5.04)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	4,207.25	4,543.34			(46.37)		4,160.88	4,505.88	8.91	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	3,967.29	4,284.24			(48.78)		3,918.51	4,243.44	7.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	13,204.07	14,374.63			(118.16)		13,085.91	14,268.38	11.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	1,876.90	2,043.28			(21.98)		1,854.92	2,022.53	1.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	32,432.40	35,307.50			(300.96)		32,131.44	35,034.80	28.26	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	8,907.15	9,695.01			(66.65)		8,840.50	9,637.94	9.58	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	4,809.75	5,235.09			(34.81)		4,774.94	5,205.56	5.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,560.32	7,140.50			(53.67)		6,506.65	7,093.47	6.64	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	3,766.31	4,067.88			(27.70)		3,738.61	4,042.67	2.49	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	7,313.92	7,960.73			(54.18)		7,259.74	7,914.46	7.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	1,470.20	1,600.17			(10.30)		1,459.90	1,591.51	1.64	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	7,752.20	8,437.77			(58.70)		7,692.50	8,386.25	8.18	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	12,688.00	13,810.09			(92.04)		12,595.96	13,731.95	13.90	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	2,076.25	2,242.42			(41.79)		2,034.46	2,189.85	(0.78)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	68,993.52	75,108.75			(609.74)		68,383.78	74,562.90	62.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	85,566.88	93,152.45			(827.34)		84,739.54	92,396.67	71.56	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	13,280.10	14,340.81			(96.07)		13,184.03	14,277.01	32.27	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	41,226.68	44,881.38			(1,243.64)		39,983.04	43,585.86	(41.88)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	34,918.85	37,708.51			(384.85)		34,534.00	37,397.55	73.89	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	32,927.53	35,558.09			(404.86)		32,522.67	35,219.43	66.20	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	109,590.30	119,305.45			(980.67)		108,609.63	118,423.58	96.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	15,577.74	16,958.72			(182.38)		15,395.36	16,786.50	10.16	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	269,178.74	293,042.44			(2,497.56)		266,681.19	290,779.08	234.59	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	73,927.69	80,465.89			(553.14)		73,374.55	79,982.23	79.48	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	39,919.38	43,448.83			(288.52)		39,630.46	43,204.71	43.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	16,755.63	16,060.59			(120.72)		14,634.91	15,954.81	14.94	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	71,347.13	77,672.09			(695.57)		70,651.56	77,035.67	59.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	103,801.87	113,003.99			(927.64)		102,874.33	112,170.02	93.67	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	68,520.72	74,595.06			(618.55)		67,901.17	74,037.35	61.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	55,471.41	60,388.93			(423.16)		55,048.25	60,022.38	56.61	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	23,742.53	25,639.27			(302.85)		23,439.68	25,383.25	46.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	18,001.57	128,462.41			(987.64)		17,013.93	127,587.30	112.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	133,567.57	145,408.36			(1,041.55)		132,526.02	144,501.11	134.30	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	130,839.02	142,437.94			(1,042.37)		129,796.65	141,525.11	128.54	0.00
GNMA	1994 A&B SF (1983 Refunding)</													

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	28,696.89	31,234.55			(232.28)		26,464.61	31,031.54	29.27	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	14,657.64	15,828.63			(103.38)		14,554.26	15,761.08	25.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	132,090.63	143,772.74			(1,065.11)		131,025.52	142,842.73	135.10	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	38,693.14	43,203.60			(324.74)		39,368.40	42,919.02	40.16	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	31,259.34	33,762.27			(229.92)		31,029.42	33,553.04	20.69	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	60,703.28	66,071.87			(449.71)		60,253.57	65,687.83	65.67	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	12,240.85	13,280.97			(85.50)		12,116.35	13,209.12	13.65	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	64,340.90	70,031.15			(495.54)		63,845.36	69,603.52	67.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	105,306.61	114,619.90			(763.89)		104,542.72	113,971.41	115.40	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	17,231.75	18,611.50			(346.83)		16,884.92	18,258.18	(6.49)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	127,528.28	138,806.89			(1,115.61)		126,412.67	137,813.84	122.56	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	29,502.32	32,111.56			(199.65)		29,302.67	31,945.53	33.62	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	4,320.78	4,702.14			(34.97)		4,285.81	4,672.57	4.40	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	50,668.93	55,150.06			(7,115.26)		43,553.67	47,481.75	(553.05)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	62,777.71	68,329.83			(1,554.04)		61,223.67	66,745.49	(30.30)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	130,832.58	142,403.42			(939.42)		129,893.16	141,608.24	144.24	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	23,430.19	25,306.31			(506.00)		22,924.19	24,788.67	(11.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,319.78	5,790.24			(35.26)		5,284.50	5,711.10	6.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	27,709.60	30,160.16			(206.87)		27,502.73	29,983.12	29.83	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	50,589.89	54,640.58			(1,217.15)		49,372.74	53,388.18	(35.25)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	8,408.32	9,151.95			(61.24)		8,347.08	9,099.91	9.20	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	25,189.60	27,206.54			(196.75)		24,992.85	27,025.53	15.74	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	40,849.60	44,228.41			(442.58)		40,506.92	43,801.33	15.60	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	4,169.26	4,502.34			(41.13)		4,128.13	4,470.43	9.22	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	133,496.68	143,111.09			(812.70)		132,683.98	141,895.20	(403.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	14,057.50	15,070.85			(73.55)		13,983.95	14,955.67	(41.63)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	19,101.21	20,478.25			(119.01)		18,982.20	20,301.34	(57.90)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	35,623.29	38,334.94			(179.76)		35,443.53	38,049.06	(106.12)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	84,105.06	90,542.05			(488.73)		83,616.33	89,805.13	(248.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	145,268.24	155,737.49			(8,286.00)		136,982.24	146,498.49	(953.00)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	6,465.85	6,958.33			(33.08)		6,432.77	6,905.94	(19.31)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	11,636.38	12,475.45			(60.22)		11,576.16	12,380.82	(34.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	85,888.18	92,082.82			(6,465.39)		79,422.79	84,944.79	(672.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	23,588.93	25,386.56			(121.82)		23,467.11	25,194.24	(70.50)	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	09/01/35	13,951.50	14,802.39			(88.28)		13,863.22	14,903.82	199.71	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	11,848.56	12,571.53			(73.76)		11,774.80	12,678.49	180.72	0.00
	<b>1994 A&amp;B SF (1983 Refunding) Total</b>				<b>4,607,446.77</b>	<b>4,993,504.48</b>	<b>0.00</b>	<b>(193,150.87)</b>	<b>(74,023.46)</b>	<b>0.00</b>	<b>4,340,272.42</b>	<b>4,739,146.60</b>	<b>12,818.47</b>	<b>0.00</b>
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.20	11/30/10	12/01/10	2.25	2.25	0.00				2.25	2.25	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/4/96	09/30/29	24.57	24.57	0.00				24.57	24.57	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.20	11/30/10	12/01/10	0.01	0.01	0.00				0.01	0.01	-	0.00
	<b>1995 C SF (1985 A&amp;B Refunding) Total</b>				<b>26.83</b>	<b>26.83</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26.83</b>	<b>26.83</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	2005 Single Family	0.20	11/30/10	12/01/10	4,301,973.70	4,301,973.70		(3,684,774.18)			617,199.52	617,199.52	-	0.00
GIC's	2005 Single Family	3.37	08/22/05	09/01/36	184,011.04	184,011.04	1,236,548.15				1,420,559.19	1,420,559.19	-	0.00
GNMA	2005 Single Family	4.49	08/11/05	07/20/35	1,014,263.09	1,088,935.95			(5,872.46)		1,008,290.63	1,079,884.22	(3,079.27)	0.00
GNMA	2005 Single Family	4.49	08/30/05	08/20/35	425,322.71	456,646.25			(2,181.08)		423,141.63	453,196.81	(1,268.36)	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	1,330,591.26	1,428,672.76			(6,674.23)		1,323,917.03	1,418,041.88	(3,956.65)	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	818,168.37	876,477.81			(4,145.18)		814,023.19	871,896.79	(2,435.84)	0.00
GNMA	2005 Single Family	4.49	09/29/05	09/20/35	4,831,368.98	5,187,345.29			(25,444.06)		4,805,924.92	5,147,449.84	(4,451.39)	0.00
GNMA	2005 Single Family	4.49	10/06/05	09/20/35	1,365,821.02	1,468,465.38			(7,078.50)		1,358,742.52	1,455,308.07	(4,078.81)	0.00
GNMA	2005 Single Family	4.49	10/20/05	10/20/35	836,941.06	898,628.84			(4,457.33)		832,483.73	891,693.51	(2,508.00)	0.00
GNMA	2005 Single Family	4.49	12/08/05	12/20/35	916,602.82	984,214.84			(4,881.96)		911,720.86	976,586.70	(2,746.18)	0.00
GNMA	2005 Single Family	4.49	12/15/05	12/20/35	843,201.55	908,845.47			(9,455.02)		749,646.53	804,961.29	(9,329.16)	0.00
GNMA	2005 Single Family	4.49	11/03/05	11/20/35	239,751.83	258,405.76			(1,548.59)		238,203.24	256,110.11	(746.69)	0.00
GNMA	2005 Single Family	4.49	11/10/05	11/20/35	1,457,694.28	1,571,119.83			(10,244.47)		1,447,449.81	1,559,273.42	(4,601.94)	0.00
GNMA	2005 Single Family	4.49	11/17/05	11/20/35	1,167,963.05	1,253,979.82			(6,285.44)		1,161,577.61	1,244,189.72	(3,504.69)	0.00
GNMA	2005 Single Family	4.49	11/22/05	11/20/35	676,135.08	725,995.35			(3,613.58)		672,521.50	720,355.27	(2,026.50)	0.00
GNMA	2005 Single Family	4.49	11/29/05	11/20/35	1,018,098.44	1,097,336.11			(5,374.08)		1,012,724.36	1,086,862.76	(3,079.27)	0.00
GNMA	2005 Single Family	4.49	12/22/05	12/20/35	1,184,237.46	1,276,439.07			(137,836.03)		1,046,401.43	1,125,120.77	(13,442.27)	0.00
GNMA	2005 Single Family	4.49	12/29/05	12/20/35	1,735,563.10	1,863,620.42			(9,157.58)		1,726,405.52	1,849,267.00	(5,195.84)	0.00
GNMA	2005 Single Family	4.49	01/05/06	01/20/36	1,317,016.42	1,412,145.84			(10,585.55)		1,306,430.87	1,395,305.68	(9,254.61)	0.00
GNMA	2005 Single Family	4.49	01/12/06	01/20/36	1,394,477.71	1,500,928.43			(6,818.22)		1,387,659.49	1,467,715.74	(9,384.47)	0.00
GNMA	2005 Single Family	4.49	03/09/06	02/20/36	981,731.75	1,052,708.07			(5,532.33)		976,199.42	1,042,673.23	(4,502.51)	0.00
GNMA	2005 Single Family	4.49	03/02/06	02/20/36	1,312,067.40	1,406,938.90			(6,688.80)		1,305,389.60	1,394,279.16	(5,970.94)	0.00
GNMA	2005 Single Family	4.49	01/19/06	01/20/36	713,409.77	764,950.14			(4,729.63)		708,680.14	756,889.92	(3,320.59)	0.00
GNMA	2005 Single Family	4.49	01/26/06	01/20/36	1,022,251.95	1,096,111.29			(107,697.14)		914,554.81	976,788.55	(11,625.60)	0.00
GNMA	2005 Single Family	4.49	02/02/06	02/20/36	2,182,645.08	2,340,370.65			(11,045.64)		2,171,599.44	2,319,400.82	(9,924.19)	0.00
GNMA	2005 Single Family	4.49	02/09/06	02/20/36	989,628.88	1,061,149.34			(5,053.89)		984,575.19	1,051,592.77	(4,502.88)	0.00
GNMA	2005 Single Family	4.49	02/16/06	02/20/36	1,549,621.81	1,661,624.72			(8,632.29)		1,540,989.52	1,645,880.85	(7,101.58)	0.00
GNMA	2005 Single Family	4.49	02/23/06	02/20/36	1,562,602.92	1,675,554.21			(163,647.53)		1,398,955.39	1,494,196.92	(17,709.76)	0.00
GNMA	2005 Single Family	4.49	05/11/06	04/20/36	823,407.96	882,986.76			(4,205.65)		819,202.31	875,042.88	(3,748.23)	0.00
GNMA	2005 Single Family	4.49	05/11/06	05/20/36	369,019.78	397,240.30			(2,513.68)		366,506.10	382,982.34	(1,744.28)	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	837,304.96	897,909.45			(4,425.57)		832,879.39	889,662.14	(3,821.74)	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	331,200.01	3								

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2005 Single Family	4.49	03/23/06	03/20/36	1,331,921.88	1,428,240.45			(6,820.25)		1,325,101.63	1,415,358.07	(6,062.13)	0.00
GNMA	2005 Single Family	4.49	03/30/06	03/20/36	1,080,520.17	1,158,666.69			(5,408.61)		1,075,110.56	1,148,346.35	(4,910.73)	0.00
GNMA	2005 Single Family	4.49	04/06/06	03/20/36	1,262,211.58	1,353,506.72			(7,899.50)		1,254,312.08	1,339,763.00	(5,844.22)	0.00
GNMA	2005 Single Family	4.49	04/13/06	03/20/36	946,160.34	1,014,601.86			(8,723.52)		937,436.82	1,001,306.51	(4,571.63)	0.00
GNMA	2005 Single Family	4.49	04/20/06	04/20/36	1,176,261.47	1,261,361.60			(6,714.15)		1,169,547.32	1,249,246.35	(5,401.10)	0.00
GNMA	2005 Single Family	4.49	04/27/06	04/20/36	590,584.56	633,315.98			(4,195.04)		586,389.52	626,352.94	(2,768.00)	0.00
GNMA	2005 Single Family	4.49	05/05/06	04/20/36	1,045,513.79	1,125,457.39			(5,745.41)		1,039,768.38	1,114,869.66	(4,842.32)	0.00
GNMA	2005 Single Family	4.49	05/25/06	05/20/36	947,717.70	1,016,320.05			(5,031.68)		942,686.02	1,006,962.08	(4,326.29)	0.00
GNMA	2005 Single Family	4.49	06/01/06	06/20/36	1,030,381.27	1,109,204.74			(29,459.83)		1,000,921.44	1,073,253.69	(6,491.22)	0.00
GNMA	2005 Single Family	4.49	06/08/06	06/20/36	1,398,669.45	1,489,940.63			(7,311.87)		1,391,357.58	1,486,251.45	(6,377.31)	0.00
GNMA	2005 Single Family	4.49	06/15/06	06/20/36	808,684.28	871,636.02			(3,906.88)		805,777.40	864,017.91	(3,711.23)	0.00
GNMA	2005 Single Family	4.49	06/27/06	06/20/36	1,535,245.64	1,653,245.64			(9,059.97)		1,526,665.30	1,637,028.82	(7,156.85)	0.00
GNMA	2005 Single Family	4.49	07/06/06	07/20/36	752,942.08	810,571.15			(3,663.49)		749,278.59	803,454.93	(3,452.73)	0.00
GNMA	2005 Single Family	4.49	07/13/06	06/20/36	1,135,945.01	1,222,890.88			(6,042.43)		1,129,902.58	1,211,601.02	(5,247.53)	0.00
GNMA	2005 Single Family	4.49	07/19/06	06/20/36	1,571,361.07	1,685,199.02			(117,173.12)		1,454,187.95	1,553,425.07	(14,600.83)	0.00
GNMA	2005 Single Family	4.49	07/27/06	07/20/36	1,136,932.74	1,223,975.33			(5,430.98)		1,131,501.76	1,213,336.66	(5,207.69)	0.00
GNMA	2005 Single Family	4.49	08/02/06	08/20/36	578,695.45	623,006.18			(2,756.25)		575,939.20	617,600.39	(2,649.54)	0.00
GNMA	2005 Single Family	4.49	08/09/06	08/20/36	1,355,742.66	1,459,560.74			(7,888.22)		1,347,854.43	1,445,361.69	(6,310.82)	0.00
GNMA	2005 Single Family	4.49	08/16/06	07/20/36	770,880.77	826,752.59			(4,008.00)		766,872.77	819,229.86	(3,514.73)	0.00
GNMA	2005 Single Family	4.49	08/23/06	07/20/36	506,415.49	545,200.02			(2,948.15)		503,467.34	539,893.84	(2,358.03)	0.00
GNMA	2005 Single Family	4.49	09/06/06	08/20/36	686,552.25	739,145.44			(3,273.08)		683,279.17	732,727.80	(3,144.56)	0.00
GNMA	2005 Single Family	4.49	09/12/06	08/20/36	430,622.92	463,828.40			(2,570.84)		428,052.08	459,246.88	(2,100.68)	0.00
GNMA	2005 Single Family	4.49	09/26/06	08/20/36	304,091.55	327,393.71			(1,406.50)		302,685.05	324,597.80	(1,389.41)	0.00
GNMA	2005 Single Family	4.49	10/17/06	10/20/36	818,436.87	881,173.17			(4,063.27)		814,343.60	873,317.96	(7,179.94)	0.00
GNMA	2005 Single Family	4.49	11/14/06	10/20/36	720,147.27	775,369.63			(3,420.24)		716,727.03	768,651.43	(3,297.96)	0.00
GNMA	2005 Single Family	4.49	11/28/06	10/20/36	207,134.55	223,021.00			(967.70)		206,166.85	221,105.86	(947.44)	0.00
GNMA	2005 Single Family	4.49	12/12/06	10/20/36	237,930.82	256,182.58			(1,109.68)		236,821.14	253,984.70	(1,088.20)	0.00
GNMA	2005 Single Family	4.49	01/16/07	12/20/36	116,385.56	108,089.26			(492.58)		115,389.31	107,596.58	(493.57)	0.00
GNMA	2005 Single Family	4.49	01/30/07	12/20/36	124,630.17	133,015.12			(675.11)		124,055.06	131,891.69	(548.32)	0.00
GNMA	2005 Single Family	4.49	02/13/07	01/20/37	298,299.35	321,669.12			(1,398.12)		296,901.23	318,364.35	(1,906.65)	0.00
GNMA	2005 Single Family	4.49	02/20/07	02/20/37	216,753.87	233,745.51			(1,030.93)		215,722.94	231,328.19	(1,386.99)	0.00
GNMA	2005 Single Family	4.49	03/20/07	01/20/37	149,143.78	160,506.41			(676.54)		148,467.14	158,856.87	(972.90)	0.00
GNMA	2005 Single Family	4.49	04/24/07	03/20/37	288,532.94	289,002.73			(1,194.03)		287,338.91	285,058.57	(1,750.13)	0.00
GNMA	2005 Single Family	4.49	04/10/07	02/20/37	257,570.44	277,200.12			(1,164.44)		256,406.00	274,355.69	(1,679.99)	0.00
GNMA	2005 Single Family	4.49	05/22/07	04/20/37	246,001.71	263,745.45			(1,090.45)		244,911.26	261,068.83	(1,586.17)	0.00
GNMA	2005 Single Family	4.49	06/05/07	05/20/37	309,920.72	333,561.30			(1,375.92)		308,544.80	330,165.47	(2,019.91)	0.00
GNMA	2005 Single Family	4.49	07/03/07	06/20/37	113,480.26	122,140.04			(496.01)		112,984.25	120,905.05	(738.98)	0.00
GNMA	2005 Single Family	4.49	11/21/07	09/20/37	227,716.58	245,241.78			(977.23)		226,739.35	242,780.24	(1,484.31)	0.00
GNMA	2005 Single Family	4.49	09/25/07	04/20/37	109,453.02	117,867.88			(834.54)		108,618.48	116,294.08	(739.26)	0.00
GNMA	2005 Single Family	4.49	12/11/07	08/20/37	132,976.82	143,213.35			(573.78)		132,403.14	141,772.39	(867.18)	0.00
GNMA	2005 Single Family	4.49	01/30/08	01/20/38	195,936.63	210,924.55			(824.32)		195,112.31	208,787.24	(1,312.99)	0.00
GNMA	2005 Single Family	4.49	01/30/08	01/20/38	116,282.84	124,694.64			(487.87)		115,794.97	123,434.31	(772.36)	0.00
GNMA	2005 Single Family	4.49	03/26/08	03/20/38	354,034.72	381,140.04			(1,484.24)		352,550.48	377,283.14	(2,372.65)	0.00
FNMA	2005 Single Family	4.49	10/20/05	10/01/35	150,443.89	159,666.25			(768.54)		149,675.35	160,866.14	(1,978.43)	0.00
FNMA	2005 Single Family	4.49	11/10/05	11/01/35	108,649.17	115,303.38			(58,243.54)		50,405.63	54,295.81	(2,764.03)	0.00
FNMA	2005 Single Family	4.49	12/15/05	12/01/35	149,989.89	159,178.62			(1,056.15)		148,933.74	160,137.58	(2,015.11)	0.00
FNMA	2005 Single Family	4.49	01/05/06	12/01/35	324,011.06	343,663.42			(1,817.58)		322,193.48	346,572.99	(4,527.15)	0.00
FNMA	2005 Single Family	4.49	02/09/06	02/01/36	174,634.90	185,001.49			(1,436.48)		173,198.42	186,882.93	(3,317.92)	0.00
FNMA	2005 Single Family	4.49	02/23/06	01/01/36	229,723.00	243,360.51			(1,158.68)		228,564.32	245,669.17	(3,465.32)	0.00
FNMA	2005 Single Family	4.49	03/16/06	03/01/36	354,123.24	375,150.60			(2,494.95)		351,628.29	378,533.61	(5,877.96)	0.00
FNMA	2005 Single Family	4.49	04/06/06	03/01/36	251,137.46	266,051.80			(1,213.75)		249,923.71	268,258.63	(3,420.48)	0.00
FNMA	2005 Single Family	4.49	04/20/06	04/01/36	353,645.72	374,650.38			(1,753.43)		351,892.29	378,011.12	(5,114.17)	0.00
FNMA	2005 Single Family	4.49	05/11/06	04/01/36	273,837.34	290,104.46			(2,063.47)		271,773.87	292,267.69	(4,226.70)	0.00
FNMA	2005 Single Family	4.49	06/08/06	04/01/36	128,815.28	136,468.94			(642.21)		128,173.07	137,716.23	(1,889.50)	0.00
FNMA	2005 Single Family	4.49	06/27/06	06/01/36	157,646.22	167,014.77			(755.18)		156,891.04	166,341.06	(2,081.50)	0.00
FNMA	2005 Single Family	4.49	07/13/06	06/01/36	330,565.44	350,212.27			(1,684.50)		328,880.94	353,024.15	(4,496.38)	0.00
FNMA	2005 Single Family	4.49	07/19/06	07/01/36	287,420.22	315,069.67			(1,526.76)		285,894.46	317,555.01	(3,982.10)	0.00
FNMA	2005 Single Family	4.49	08/02/06	07/01/36	336,196.11	356,181.17			(1,638.38)		334,557.73	358,909.25	(4,366.46)	0.00
FNMA	2005 Single Family	4.49	08/09/06	07/01/36	117,884.03	124,882.01			(657.65)		117,226.38	125,844.26	(1,509.90)	0.00
FNMA	2005 Single Family	4.49	09/12/06	08/01/36	263,846.12	279,535.41			(1,260.64)		262,585.48	281,759.09	(3,484.32)	0.00
FNMA	2005 Single Family	4.49	10/17/06	09/01/36	184,915.33	206,513.30			(1,850.62)		183,064.71	207,917.91	(3,255.23)	0.00
FNMA	2005 Single Family	4.49	11/14/06	10/01/36	339,437.82	359,632.53			(2,185.32)		337,252.50	363,273.70	(5,626.49)	0.00
FNMA	2005 Single Family	4.49	11/21/06	10/01/36	250,751.13	265,649.10			(2,894.78)		247,856.37	266,844.11	(4,129.77)	0.00
FNMA	2005 Single Family	4.49	12/12/06	11/01/36	281,747.29	309,108.75			(1,443.15)		280,304.14	311,884.89	(4,219.29)	0.00
FNMA	2005 Single Family	4.49	01/30/07	11/01/36	49,945.01	52,916.22			(421.21)		49,523.80	53,323.76	(628.75)	0.00
FNMA	2005 Single Family	4.49	02/13/07	01/01/37	55,102.70	58,332.21			(254.99)		54,847.71	58,864.33	(787.11)	0.00
FNMA	2005 Single Family	4.49	03/20/07	02/01/37	163,513.42	163,513.42			(716.16)		162,797.26	165,877.47	(2,231.49)	0.00
FNMA	2005 Single Family	4.49	04/10/07	01/01/37	208,543.52	220,577.66			(1,218.14)		207,325.38	222,336.93	(2,977.41)	0.00
FNMA	2005 Single Family	4.49	04/24/07	04/01/37	354,375.37	374,828.56			(1,594.54)		352,780.83	378,218.10	(4,984.08)	0.00
FNMA	2005 Single Family	4.49	05/22/07	04/01/37	214,914.47	227,321.07			(962.02)		213,952.45	229,365.11	(3,006.66)	0.00
FNMA	2005 Single Family	4.49	06/05/07	05/01/37	262,708.87	267,299.21			(1,128.87)		261,580.10	269,705.23	(3,534.89)	0.00
FNMA	2005 Single Family	4.49	07/03/07	06/01/37	510,992.27	540,501.67			(2,298.13)		508,694.14	545,350.26	(7,146.72)	0.00
FNMA	2005 Single Family	4.49	09/25/07	09/01/37	344,567.35	366,138.88			(1,503.20)		343,064.15	369,378.04	(4,742.36)	0.00
FNMA	2005 Single Family	4.49	11/08/07	09/01/37	337,084.60									

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
FNMA	2005 Single Family	4.49	03/26/03	02/01/38	577,876.32	616,328.57			(102,738.26)		475,138.06	511,653.11	(1,935.20)	0.00
	2005 Single Family				76,514,729.19	81,749,685.08	1,236,549.15	(3,684,774.18)	(1,163,176.05)	0.00	72,903,327.11	77,934,210.77	(204,072.23)	0.00
	<b>Total</b>													
	<b>Total Single Family Investment Summary</b>				925,003,568.64	995,065,263.21	25,032,356.11	(53,224,467.46)	(27,651,090.21)	0.00	869,150,357.08	940,948,866.79	1,736,805.14	0.00

**Texas Department of Housing and Community Affairs  
Residential Mortgage Revenue Bonds Investment Summary  
For Period Ending November 30, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	0.20	11/30/10	12/01/10	2,727.03	2,727.03	1.29				2,728.32	2,728.32	-	0.00
	1989 A&B RMRB Total				2,727.03	2,727.03	1.29	0.00	0.00	0.00	2,728.32	2,728.32	0.00	0.00
Repo Agmt	1998 A/B RMRB	0.20	11/30/10	12/01/10	581,478.66	581,478.66		(259,534.13)			321,944.53	321,944.53	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	836,855.04	836,855.04	1,291,403.68				2,128,258.72	2,128,258.72	-	0.00
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	3,781,144.18	3,781,144.18	0.00				3,781,144.18	3,781,144.18	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	859,463.77	933,704.25			(124,773.87)		734,689.90	795,438.11	(9,492.27)	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	1,911,909.25	2,077,059.96			(81,685.85)		1,830,223.40	1,991,520.96	(3,853.15)	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	68,094.38	73,420.05			(507.39)		67,586.99	73,000.03	87.37	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	534,190.07	580,445.48			(4,729.47)		529,460.60	576,217.17	501.16	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	36,075.04	38,896.41			(312.90)		35,762.14	38,626.27	42.76	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	2,159,616.68	2,346,617.82			(177,614.72)		1,982,001.96	2,157,032.45	(11,970.65)	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	2,788,538.47	3,029,997.95			(26,121.53)		2,762,416.84	3,006,365.77	2,489.44	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	66,303.99	71,488.60			(38,328.57)		27,975.42	30,215.94	(2,945.09)	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	125,561.35	135,381.50			(1,091.31)		124,470.04	134,438.84	148.65	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	2,163,608.37	2,350,955.13			(87,406.59)		2,076,201.78	2,259,551.11	(3,967.43)	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	1,576,917.11	1,713,462.38			(151,033.00)		1,425,884.11	1,551,803.98	(10,625.40)	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	164,703.99	177,585.46			(1,240.62)		163,463.37	176,555.14	210.28	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	08/20/29	1,569,298.70	1,705,120.18			(14,553.19)		1,554,686.51	1,691,980.87	1,413.88	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	155,526.72	167,690.51			(3,227.73)		152,298.99	164,388.66	25.88	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	193,433.01	197,779.30			(1,505.78)		181,927.23	196,497.78	224.26	0.00
FNMA	1998 A/B RMRB	5.35	12/1/99	11/01/29	244,462.22	263,603.13			(3,668.05)		240,814.17	260,100.85	165.95	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	1,870,994.36	2,033,003.75			(18,487.68)		1,852,506.68	2,016,101.55	1,585.48	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	2,263,478.56	2,459,473.16			(102,694.70)		2,160,793.86	2,351,613.54	(5,174.92)	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	3,376,683.29	3,669,070.17			(35,663.47)		3,341,019.82	3,636,065.16	2,688.46	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	1,771,630.12	1,824,663.49			(17,245.82)		1,754,384.30	1,908,998.11	1,580.44	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,027,799.83	2,202,961.16			(22,464.17)		2,005,335.66	2,182,065.86	1,566.89	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,205,372.03	1,309,492.03			(12,130.45)		1,193,241.58	1,296,401.92	1,040.34	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	345,381.01	372,393.20			(4,261.49)		341,099.52	368,418.12	306.41	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	212,825.49	229,453.54			(4,647.75)		208,177.74	224,378.12	(427.67)	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	202,184.89	217,581.59			(1,939.39)		200,245.50	215,628.60	(213.60)	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	1,444,040.90	1,568,777.19			(11,980.38)		1,432,060.52	1,558,268.05	1,471.24	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,208,521.10	1,312,913.10			(12,924.05)		1,195,597.05	1,300,964.95	975.90	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,037,249.28	1,126,846.90			(9,298.37)		1,027,950.91	1,118,544.26	995.73	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	267,043.30	287,907.37			(2,098.05)		264,945.25	285,563.27	(246.05)	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	84,118.40	90,690.56			(2,255.89)		81,862.71	88,233.26	(201.61)	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,455,622.29	1,581,358.91			(11,914.47)		1,443,707.82	1,570,941.77	1,497.33	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	398,041.12	421,560.12			(3,867.01)		384,174.11	418,031.38	338.27	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	350,408.34	377,785.74			(4,317.43)		346,090.91	373,023.69	(444.62)	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	172,112.40	185,559.54			(3,022.80)		169,089.80	182,248.36	(288.58)	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	254,700.36	276,701.37			(3,352.26)		251,347.10	273,498.31	150.20	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	172,922.82	187,859.89			(64,345.05)		108,577.77	118,146.72	(5,368.12)	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	55,825.71	60,647.88			(375.22)		55,450.49	60,337.28	64.62	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	263,902.29	286,698.15			(4,309.05)		259,593.24	282,471.17	82.07	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	530,536.23	576,363.93			(77,862.69)		452,673.54	492,458.83	(5,942.41)	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	132,346.26	134,000.90			(835.90)		122,510.36	133,307.19	142.19	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	270,994.45	294,402.94			(1,864.91)		269,129.54	292,847.92	309.89	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	247,937.96	267,309.29			(3,825.50)		244,012.46	263,001.45	(382.34)	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	353,191.22	380,785.99			(3,320.88)		349,870.54	377,097.40	(367.91)	0.00
Repo Agmt	1998 A/B RMRB	0.20	11/30/10	12/01/10	636,150.89	636,150.89		(129,304.96)			506,845.93	506,845.93	-	0.00
Repo Agmt	1998 A/B RMRB				21,029.98	21,029.98		(21,029.98)					-	0.00
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	25,757.26	28,159.24			(106.91)		25,650.35	28,103.19	50.86	0.00
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36	16,368.75	17,896.10			(129.71)		16,239.04	17,792.78	26.39	0.00
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36	18,065.62	19,751.18			(74.72)		17,990.90	19,712.15	35.69	0.00
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	29,899.80	32,689.28			(1,256.30)		28,643.50	31,383.69	(49.29)	0.00
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36	18,060.45	19,745.73			(94.62)		17,965.83	19,684.88	33.77	0.00
GNMA	1998 A/B RMRB	5.49	03/30/06	03/20/36	28,888.55	31,530.17			(15,845.53)		13,043.02	14,266.75	(1,417.89)	0.00
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36	27,804.92	30,400.18			(132.90)		27,672.02	30,320.49	53.21	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36	16,174.98	17,412.81			(66.93)		16,108.05	17,663.54	317.66	0.00
GNMA	1998 A/B RMRB	5.75	10/29/09	09/20/39	3,620.80	3,970.89			(11,200)		3,606.60	3,987.96	28.27	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	11/20/39	23,000.32	25,224.79			(83.84)		22,916.48	25,319.34	178.39	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	09/20/39	2,264.87	2,483.91			(6.73)		2,258.14	2,494.90	17.22	0.00
GNMA	1998 A/B RMRB	5.75	05/25/10	04/20/40	10,734.82	11,776.12			(30.87)		10,703.95	11,830.23	84.98	0.00
GNMA	1998 A/B RMRB	5.75	05/25/10	04/20/40	6,610.93	7,252.21			(26.74)		6,584.19	7,276.97	51.50	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	11/20/39	30,624.05	33,586.57			(2,040.64)		28,583.41	31,581.11	35.18	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	10/20/39	2,262.59	2,481.48			(6.69)		2,255.90	2,492.50	17.71	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39	41,535.92	45,554.65			(123.10)		41,412.82	45,756.61	325.06	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39										

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	1988 A/B RMBS	5.75	01/27/10	12/20/39	3,474.11	3,810.35			(10.16)		3,463.95	3,827.29	27.20	0.00
GNMA	1988 A/B RMBS	5.75	01/20/10	12/20/39	4,033.15	4,423.46			(11.79)		4,021.36	4,443.24	31.57	0.00
GNMA	1988 A/B RMBS	5.75	01/27/10	01/20/40	51,426.77	56,408.74			(2,587.81)		48,838.96	53,971.58	150.65	0.00
GNMA	1988 A/B RMBS	5.75	01/27/10	12/20/39	5,897.47	5,897.92			(1,875.21)		3,502.26	3,869.72	(152.99)	0.00
GNMA	1988 A/B RMBS	5.75	02/17/10	01/20/40	34,300.72	37,624.38			(2,526.39)		31,774.33	35,114.32	16.33	0.00
GNMA	1988 A/B RMBS	5.75	02/17/10	12/20/39	22,379.45	24,545.93			(2,456.83)		19,922.62	22,013.34	(75.76)	0.00
GNMA	1988 A/B RMBS	5.75	02/17/10	12/20/39	3,045.51	3,340.34			(8.88)		3,036.63	3,355.31	23.85	0.00
GNMA	1988 A/B RMBS	5.75	02/23/10	02/20/40	34,626.14	37,981.55			(115.03)		34,511.11	38,138.98	272.46	0.00
GNMA	1988 A/B RMBS	5.75	02/23/10	01/20/40	8,090.51	8,874.52			(24.28)		8,066.23	8,914.17	63.93	0.00
GNMA	1988 A/B RMBS	5.75	03/16/10	02/20/40	32,941.65	36,134.59			(98.86)		32,842.79	36,296.07	260.34	0.00
GNMA	1988 A/B RMBS	5.75	03/16/10	02/20/40	3,383.68	3,711.65			(9.84)		3,373.84	3,728.57	26.76	0.00
GNMA	1988 A/B RMBS	5.75	03/16/10	12/20/39	2,091.85	2,294.42			(6.10)		2,085.75	2,304.70	16.38	0.00
GNMA	1988 A/B RMBS	5.75	03/30/10	01/20/40	16,193.75	17,763.60			(47.21)		16,146.54	17,844.50	128.11	0.00
GNMA	1988 A/B RMBS	5.75	03/30/10	02/20/40	6,992.55	7,670.42			(20.24)		6,972.31	7,705.52	55.34	0.00
GNMA	1988 A/B RMBS	5.75	03/30/10	12/20/39	1,794.58	1,966.38			(5.24)		1,789.34	1,977.20	14.06	0.00
GNMA	1988 A/B RMBS	5.75	04/22/10	03/20/40	12,847.71	14,093.52			(37.32)		12,810.39	14,157.87	101.67	0.00
GNMA	1988 A/B RMBS	5.75	04/22/10	04/20/40	5,639.48	6,186.31			(16.12)		5,623.36	6,214.83	44.64	0.00
GNMA	1988 A/B RMBS	5.75	06/15/10	04/20/40	6,598.15	7,238.34			(18.78)		6,579.37	7,271.82	52.26	0.00
GNMA	1988 A/B RMBS	5.75	06/15/10	03/20/40	4,359.83	4,782.84			(12.54)		4,347.29	4,804.82	34.52	0.00
GNMA	1988 A/B RMBS	5.75	07/20/10	07/20/40	20,218.01	22,180.44			(72.58)		20,145.43	22,266.41	158.55	0.00
GNMA	1988 A/B RMBS	5.75	07/28/10	07/20/40	14,604.46	16,022.15			(43.48)		14,560.98	16,094.13	115.46	0.00
GNMA	1988 A/B RMBS	5.75	07/28/10	06/20/40	5,097.37	5,592.18			(18.82)		5,078.55	5,613.28	39.92	0.00
GNMA	1988 A/B RMBS	5.75	07/28/10	07/20/40	43,442.34	47,859.39			(141.19)		43,301.15	47,860.42	342.22	0.00
GNMA	1988 A/B RMBS	5.75	08/17/10	08/20/40	74,635.82	81,882.48			(257.73)		74,378.09	82,211.16	586.41	0.00
GNMA	1988 A/B RMBS	5.75	08/17/10	06/20/40	6,194.02	6,795.42			(19.26)		6,174.66	6,824.94	48.88	0.00
GNMA	1988 A/B RMBS	5.75	08/17/10	05/20/40	980.74	1,075.57			(11.58)		969.16	1,071.22	6.83	0.00
GNMA	1988 A/B RMBS	5.75	08/17/10	05/20/40	1,229.94	1,349.36			(8.47)		1,226.47	1,355.63	9.74	0.00
GNMA	1988 A/B RMBS	5.75	08/24/10	08/20/40	58,572.90	64,260.40			(169.17)		58,403.73	64,554.86	463.63	0.00
GNMA	1988 A/B RMBS	5.75	09/14/10	08/20/40			73,228.09				73,228.09	80,942.25	7,714.16	0.00
GNMA	1988 A/B RMBS	5.75	09/14/10	05/20/40			1,682.48				1,682.48	1,859.72	177.24	0.00
GNMA	1988 A/B RMBS	5.75	06/22/10	04/20/40	2,215.09	2,430.04			(6.30)		2,208.79	2,441.28	17.54	0.00
GNMA	1988 A/B RMBS	5.75	06/22/10	06/20/40	29,492.83	32,354.62			(1,995.00)		27,497.83	30,352.04	32.42	0.00
GNMA	1988 A/B RMBS	5.75	06/22/10	05/20/40	11,926.64	13,083.52			(34.31)		11,892.33	13,144.02	94.41	0.00
GNMA	1988 A/B RMBS	5.75	06/22/10	05/20/40	3,880.33	4,256.85			(11.14)		3,869.19	4,276.44	30.73	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	04/20/40	1,374.27	1,507.62			(8.91)		1,370.36	1,514.60	10.89	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	06/20/40	29,373.02	32,223.40			(101.28)		29,271.74	32,352.90	230.78	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	06/20/40	11,563.53	12,695.66			(33.16)		11,530.37	12,744.08	91.58	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	06/20/40	3,108.69	3,410.36			(9.22)		3,099.47	3,425.71	24.57	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	05/20/40	2,846.15	3,122.35			(8.83)		2,837.32	3,155.98	22.46	0.00
GNMA	1988 A/B RMBS	5.75	06/29/10	06/20/40	10,489.53	11,518.41			(30.02)		10,469.51	11,571.54	83.15	0.00
GNMA	1988 A/B RMBS	5.75	07/20/10	06/20/40	24,781.63	27,187.03			(68.55)		24,713.08	27,314.95	196.47	0.00
GNMA	1988 A/B RMBS	5.75	09/21/10	09/20/40			42,938.52				42,938.52	47,462.18	4,523.66	0.00
GNMA	1988 A/B RMBS	5.75	09/21/10	08/20/40			24,681.78				24,681.78	27,282.05	2,600.27	0.00
GNMA	1988 A/B RMBS	5.75	09/29/10	07/20/40			1,303.47				1,303.47	1,440.80	137.33	0.00
GNMA	1988 A/B RMBS	5.75	09/29/10	09/20/40			21,093.24				21,093.24	23,315.62	2,222.38	0.00
FNMA	1998 A/B RMBS	5.75	08/17/10	05/01/40	1,107.69	1,198.90			(3.19)		1,104.50	1,214.71	19.00	0.00
<b>1998 A/B RMBS Total</b>					<b>43,382,760.59</b>	<b>46,610,348.40</b>	<b>1,456,331.26</b>	<b>(409,869.07)</b>	<b>(1,194,606.58)</b>	<b>0.00</b>	<b>43,234,636.20</b>	<b>46,441,358.58</b>	<b>(20,865.43)</b>	<b>0.00</b>
Repo Agmt	2000 BCDE RMBS	0.20	11/30/10	12/01/10	219,923.12	219,923.12		(219,920.01)			3.11	3.11	-	0.00
Repo Agmt	2000 BCDE RMBS	0.20	11/30/10	12/01/10	36,759.70	36,759.70	407,461.42				444,221.12	444,221.12	-	0.00
Repo Agmt	2000 BCDE RMBS	0.20	11/30/10	12/01/10	238,091.58	238,091.58		(182,782.14)			55,309.84	55,309.84	-	0.00
GNMA	2000 BCDE RMBS	6.10	03/07/01	02/20/31	88,339.21	97,975.37			(565.77)		87,773.54	99,372.00	1,962.40	0.00
GNMA	2000 BCDE RMBS	6.10	03/28/01	03/20/31	25,139.10	27,691.58			(154.39)		24,984.71	28,286.49	559.30	0.00
GNMA	2000 BCDE RMBS	6.10	04/18/01	03/20/31	100,946.78	111,959.86			(609.12)		100,337.66	113,598.09	2,247.33	0.00
GNMA	2000 BCDE RMBS	6.10	04/30/01	04/20/31	89,740.21	99,531.48			(522.18)		89,218.03	101,009.81	2,000.51	0.00
GNMA	2000 BCDE RMBS	6.10	05/22/01	04/20/31	102,610.82	113,807.16			(794.08)		101,816.74	115,274.36	2,261.28	0.00
GNMA	2000 BCDE RMBS	6.10	05/30/01	05/20/31	43,777.85	48,555.05			(266.45)		43,511.50	49,262.98	974.38	0.00
GNMA	2000 BCDE RMBS	6.10	05/30/01	05/20/31	44,563.40	49,426.22			(305.36)		44,258.04	50,108.20	987.34	0.00
GNMA	2000 BCDE RMBS	6.10	09/18/01	05/20/31	40,128.39	44,507.51			(246.75)		39,881.64	45,153.58	892.62	0.00
GNMA	2000 BCDE RMBS	6.10	08/08/01	07/20/31	133,907.53	148,524.15			(63,832.89)		70,074.64	79,339.59	(5,351.67)	0.00
GNMA	2000 BCDE RMBS	6.10	08/31/01	08/20/31	104,947.33	116,404.10			(1,010.37)		103,936.96	117,680.36	2,286.63	0.00
FNMA	2000 BCDE RMBS	6.10	02/14/01	02/01/31	231,016.91	255,782.87			(1,633.63)		229,383.28	255,034.22	884.98	0.00
GNMA	2000 BCDE RMBS	6.10	09/25/01	08/20/31	64,703.12	71,767.06			(15,790.66)		48,912.46	55,380.52	(685.88)	0.00
GNMA	2000 BCDE RMBS	6.10	10/17/01	09/20/31	53,662.72	59,521.98			(296.21)		53,366.51	60,424.17	1,198.40	0.00
GNMA	2000 BCDE RMBS	6.10	11/15/01	08/20/31	88,355.96	98,003.77			(487.90)		87,868.06	99,489.00	1,973.13	0.00
FNMA	2000 BCDE RMBS	6.10	03/15/01	02/01/31	94,034.82	104,116.68			(551.33)		93,483.49	103,938.17	372.62	0.00
FNMA	2000 BCDE RMBS	6.10	05/10/01	04/01/31	222,566.40	246,434.82			(57,224.61)		165,341.79	183,837.33	(5,372.88)	0.00
FNMA	2000 BCDE RMBS	6.10	07/12/01	05/01/31	237,620.08	263,108.95			(4,177.34)		233,442.74	259,562.21	630.60	0.00
GNMA	2000 BCDE RMBS	6.10	05/24/02	05/20/32	104,016.75	114,964.73			(567.52)		103,449.23	116,737.07	2,339.86	0.00
GNMA	2000 BCDE RMBS	6.10	03/21/02	02/20/32	89,187.10	98,571.17			(528.61)		88,658.49	100,043.39	2,000.63	0.00
GNMA	2000 BCDE RMBS	6.10	05/15/02	05/20/32	71,422.37	78,938.45			(429.03)		70,993.34	80,112.00	1,601.58	0.00
GNMA	2000 BCDE RMBS	6.10	07/29/02	07/20/32	82,093.52	90,736.59			(485.33)		81,608.19	92,063.17	1,841.91	0.00
FNMA	2000 BCDE RMBS	6.10	08/31/01	06/01/31	448,075.74	496,149.16			(100,566.63)		347,507.11	386,396.46	(9,184.07)	0.00
GNMA	2000 BCDE RMBS	6.10	11/19/02	11/20/32	26,930.35	29,767.15			(264.32)		26,666.03	30,093.58	590.75	0.00
GNMA	2000 BCDE RMBS	6.10	12/12/02	11/20/32	16,075.90	17,769.35			(1,052.87)		15,022.93	16,954.04	237.56	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	60,001.57	66,321.52			(327.18)		59,674.39	67,344.10	1,349.76	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	69,657.71	76,995.90			(1,163.12)		68,494.59	77,299.08	1,466.30	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	9,337.83	10,287.45			(856.89)		8,480.94	9,540.75	110.19	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	272,577.71	301,966.77			(4,417.42)		268,160.29	298,177.99	628.64	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	96,861.28	105,713.35			(48,141.78)		48,719.52	54,808.53	(3,763.06)	0.00
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	25,447.64	28,036.67			(127.64)		25,320.00	28,485.24	576.21	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	76,885.84	84,705.61			(430.85)		76,454.99	86,012.92	1,735.16	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	67,801.42	74,700.05			(323.84)		67,477.58	75,913.44	1,537.23	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	41,605.52	45,839.05			(839.63)		40,765.89	45,862.56	863.14	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	57,741.00	63,616.32			(308.61)		57,432.39	64,612.68	1,304.97	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	93,802.86	103,348.31			(485.78)		93,317.08	104,984.48	2,121.95	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	62,544.57	62,544.57			(283.39)		56,484.10	63,546.73	1,285.55	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	93,129.26	102,906.99			(438.58)		92,690.68	104,280.70	2,112.29	0.00
GNMA	2000 BCDE RMRB	6.10	07/09/03	07/20/33	68,222.62	75,166.06			(322.86)		67,899.76	76,390.31	1,547.11	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	46,160.77	50,859.20			(216.21)		45,944.56	51,690.08	1,047.09	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	208,283.04	230,641.43			(1,826.43)		206,456.61	229,572.99	757.99	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	37,372.95	41,177.79			(177.30)		37,195.65	41,848.02	847.53	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	83,529.47	92,034.57			(386.65)		83,142.82	93,543.30	1,895.38	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	56,056.46	62,078.76			(289.77)		55,766.69	62,015.59	226.60	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	254,072.88	281,311.41			(1,974.44)		252,098.44	280,353.63	1,016.66	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	250,160.47	276,983.45			(1,521.33)		248,639.14	276,510.50	1,048.38	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	121,679.34	134,728.69			(793.78)		120,885.56	134,439.80	503.89	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	105,856.49	116,863.10			(728.51)		105,127.98	116,897.26	762.67	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	168,451.18	183,764.49			(866.67)		165,584.51	184,128.28	1,230.46	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	190,241.00	210,033.86			(952.56)		189,288.44	210,491.67	1,410.37	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	159,706.94	176,324.24			(2,545.76)		157,161.18	174,766.89	988.41	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	103,101.88	113,833.73			(8,791.57)		94,310.31	104,879.15	(163.01)	0.00
Repo Agmt	2000 BCDE RMRB	0.20	11/30/10	12/01/10	1,961.28	1,961.28		(1,961.24)			0.04	0.04	-	0.00
	2000 BCDE RMRB Total				5,973,111.16	6,554,429.65	407,461.42	(404,663.39)	(331,903.88)	0.00	5,644,005.31	6,257,111.57	31,787.77	0.00
Repo Agmt	2001 A-E RMRB	0.20	11/30/10	12/01/10	5,038.18	5,038.18	2.41				5,040.59	5,040.59	-	0.00
Repo Agmt	2001 A-E RMRB	0.20	11/30/10	12/01/10	1,665,274.68	1,665,274.68	715,227.67				2,380,502.35	2,380,502.35	-	0.00
Repo Agmt	2001 A-E RMRB	0.20	11/30/10	12/01/10	737,844.98	737,844.98	347.29				738,192.27	738,192.27	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	71,795.78	78,139.55			(4,442.27)		67,353.51	73,754.83	57.55	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	26,441.60	28,493.63			(1,643.06)		24,798.54	26,893.60	33.03	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	31,286.51	34,061.73			(1,384.56)		29,901.95	30,462.32	(2,234.85)	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	75,387.41	80,736.52			(4,600.63)		70,786.78	76,355.49	219.60	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	14,576.34	14,738.07			(1,053.74)		13,522.60	13,688.70	(15.63)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	40,244.01	43,096.40			(4,463.29)		35,780.72	38,595.42	(40.69)	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	23,472.66	23,873.77			(1,529.78)		21,942.88	22,308.48	(34.51)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	47,958.98	51,362.66			(3,079.65)		44,879.24	48,410.61	127.60	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	30,684.75	37,274.44			(4,752.54)		25,932.21	32,547.05	25.15	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	123,964.92	133,568.99			(6,748.83)		117,216.09	127,055.93	235.77	0.00
GNMA	2001 A-E RMRB	8.19	01/10/90	01/20/15	120,823.05	131,462.50			(7,294.14)		113,528.91	124,303.50	115.14	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	45,125.20	48,621.50			(2,328.01)		42,797.19	46,392.26	96.77	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	39,815.91	43,083.71			(2,196.34)		37,619.57	40,912.90	25.53	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	65,570.06	70,650.41			(3,352.63)		62,217.43	67,440.70	142.92	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	59,578.23	64,835.04			(2,887.21)		56,691.02	61,962.35	114.52	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	27,477.43	29,606.47			(2,055.76)		25,421.67	27,555.95	5.24	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	48,980.64	54,390.86			(4,481.70)		44,498.94	49,817.72	(81.44)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	25,567.72	27,549.37			(1,253.06)		24,314.66	26,356.57	60.26	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	97,756.06	106,383.95			(4,943.53)		92,812.53	101,624.26	183.84	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	107,201.20	115,512.31			(11,473.38)		95,727.82	103,769.02	(269.91)	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	95,154.80	103,554.99			(19,072.73)		76,081.87	83,306.88	(1,175.38)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	67,465.93	72,696.45			(4,642.92)		62,823.01	68,100.20	46.67	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	235,627.81	256,429.17			(42,736.90)		192,890.71	211,208.26	(2,484.01)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	29,031.28	31,282.71			(1,965.94)		27,065.34	29,339.49	22.72	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	21,830.02	22,108.60			(1,047.81)		20,782.21	21,032.84	(27.95)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	52,212.57	56,261.87			(2,817.39)		49,395.18	53,545.69	101.21	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	229,526.82	249,796.01			(11,375.85)		218,150.97	238,873.28	453.12	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	35,965.49	38,755.67			(1,814.34)		34,151.15	37,021.59	80.26	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	34,454.87	37,498.47			(1,650.74)		32,804.13	35,921.09	73.36	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	29,308.87	31,582.44			(1,498.89)		27,809.78	30,147.22	63.67	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	116,737.10	127,049.01			(5,886.56)		110,850.54	121,383.06	220.61	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	39,491.38	42,500.15			(2,044.00)		37,447.38	40,701.00	244.85	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	32,384.07	34,897.28			(1,829.72)		30,554.35	33,123.34	55.78	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	18,078.11	19,481.24			(873.44)		17,204.67	18,651.37	43.57	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	46,574.95	50,691.63			(2,372.05)		44,202.90	48,405.32	85.74	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	36,655.09	39,500.71			(1,774.13)		34,880.96	37,814.64	88.06	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	55,036.70	59,902.31			(2,495.90)		52,540.80	57,536.85	130.44	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	30,700.15	33,040.78			(3,647.90)		27,052.25	29,404.18	11.30	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	53,842.69	58,602.94			(2,794.38)		51,048.30	55,902.62	94.07	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	85,728.09	92,266.09			(4,491.96)		81,236.13	88,300.69	526.56	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	09/20/15	86,395.88	93,105.05			(6,153.15)		80,242.73	86,993.50	41.60	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	09/20/15	182,752.88	198,910.08			(21,647.39)		161,105.49	176,425.45	(837.24)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMBS	7.19	10/31/90	08/20/15	5,711.52	6,155.06			(241.17)		5,470.35	5,930.57	16.68	0.00
GNMA	2001 A-E RMBS	8.19	10/31/90	09/20/15	44,636.49	48,584.08			(1,926.83)		42,709.66	46,772.21	14,966	0.00
GNMA	2001 A-E RMBS	6.19	10/31/90	09/20/15	52,534.84	56,542.79			(3,294.10)		49,240.74	53,524.16	275.47	0.00
GNMA	2001 A-E RMBS	7.19	10/31/90	08/20/15	13,857.87	14,934.36			(726.45)		13,128.42	14,234.30	28.39	0.00
GNMA	2001 A-E RMBS	8.19	10/31/90	09/20/15	129,161.36	140,584.11			(5,851.50)		123,309.86	135,039.05	306.44	0.00
GNMA	2001 A-E RMBS	6.19	11/28/90	10/20/15	74,528.26	80,323.45			(16,318.14)		58,310.12	63,383.89	(621.42)	0.00
GNMA	2001 A-E RMBS	8.19	11/28/90	10/20/15	253,631.52	276,068.27			(12,102.70)		241,528.82	264,509.05	543.48	0.00
GNMA	2001 A-E RMBS	7.19	12/21/90	10/20/15	33,584.56	36,194.43			(1,357.34)		32,227.22	34,940.24	103.15	0.00
GNMA	2001 A-E RMBS	8.19	12/21/90	11/20/15	66,951.84	72,875.94			(3,066.02)		63,885.62	69,965.57	155.65	0.00
GNMA	2001 A-E RMBS	8.19	02/25/91	10/20/15	13,293.03	13,444.28			(547.49)		12,745.54	12,887.86	(8.93)	0.00
GNMA	2001 A-E RMBS	6.19	01/25/91	11/20/15	77,157.71	83,048.35			(3,511.05)		73,646.68	80,057.16	519.86	0.00
GNMA	2001 A-E RMBS	8.19	01/28/91	11/20/15	23,983.50	23,983.95			(1,367.74)		22,294.76	22,579.53	(36.68)	0.00
GNMA	2001 A-E RMBS	8.19	02/25/90	01/20/16	28,875.65	29,400.88			(1,134.09)		27,741.56	28,237.88	(28.91)	0.00
GNMA	2001 A-E RMBS	8.19	03/28/91	02/20/16	34,447.07	37,543.69			(1,050.42)		33,396.65	37,217.34	724.07	0.00
GNMA	2001 A-E RMBS	3.75	04/29/91	02/20/20	103,007.36	117,813.84			(1,801.05)		101,206.31	117,240.03	1,224.24	0.00
GNMA	2001 A-E RMBS	8.19	04/29/91	04/20/16	80,806.58	86,275.67			(2,346.93)		78,459.65	85,150.96	1,221.82	0.00
GNMA	2001 A-E RMBS	7.19	04/29/91	02/20/16	128,694.73	139,350.94			(5,570.31)		123,124.42	134,220.04	439.41	0.00
GNMA	2001 A-E RMBS	6.19	04/29/91	04/20/16	174,767.85	188,844.96			(8,703.76)		166,064.09	181,519.80	1,378.60	0.00
GNMA	2001 A-E RMBS	7.19	04/26/91	04/20/16	27,627.08	29,915.78			(1,373.75)		26,253.33	28,620.31	78.28	0.00
GNMA	2001 A-E RMBS	6.19	10/23/92	09/20/17	154,156.02	167,295.02			(5,971.72)		148,184.30	162,899.42	1,576.12	0.00
GNMA	2001 A-E RMBS	8.19	11/23/92	01/20/17	11,281.02	11,410.56			(454.33)		10,826.69	10,948.69	(7.54)	0.00
GNMA	2001 A-E RMBS	7.19	10/30/92	08/20/17	165,542.80	181,124.00			(5,905.91)		159,638.89	175,937.48	719.39	0.00
GNMA	2001 A-E RMBS	6.00	10/30/92	09/20/17	214,664.04	232,252.92			(28,715.50)		185,948.54	201,863.52	(1,673.90)	0.00
GNMA	2001 A-E RMBS	5.45	02/25/02	01/20/32	419,486.53	459,547.46			(81,655.45)		337,831.08	370,662.43	(7,229.58)	0.00
GNMA	2001 A-E RMBS	4.95	02/25/02	02/20/32	736,661.52	803,050.35			(10,773.57)		725,887.95	789,348.20	(2,928.58)	0.00
GNMA	2001 A-E RMBS	5.45	05/15/02	05/20/32	210,060.30	230,139.81			(1,224.14)		208,836.16	229,150.13	234.46	0.00
GNMA	2001 A-E RMBS	4.95	05/15/02	05/20/32	882,358.86	961,948.76			(5,938.75)		876,420.11	953,110.51	(2,899.50)	0.00
GNMA	2001 A-E RMBS	4.95	05/24/02	05/20/32	698,341.69	750,435.61			(4,237.50)		684,104.19	743,970.73	(2,227.38)	0.00
GNMA	2001 A-E RMBS	5.45	05/24/02	05/20/32	243,913.13	267,230.25			(1,615.53)		242,297.60	265,868.07	253.35	0.00
GNMA	2001 A-E RMBS	5.45	03/21/02	02/20/32	632,038.51	692,414.94			(3,988.18)		628,050.33	696,102.03	675.27	0.00
GNMA	2001 A-E RMBS	5.45	03/21/02	02/20/32	90,286.52	98,911.27			(679.16)		89,607.36	98,317.94	85.83	0.00
GNMA	2001 A-E RMBS	4.95	03/21/02	02/20/32	441,365.83	481,149.97			(5,249.00)		436,116.83	474,251.07	(1,649.80)	0.00
GNMA	2001 A-E RMBS	5.45	04/17/02	04/20/32	987,825.63	1,082,223.96			(6,719.86)		981,105.77	1,076,513.06	1,008.98	0.00
GNMA	2001 A-E RMBS	5.45	04/17/02	03/20/32	85,751.39	97,231.84			(507.19)		85,244.20	96,824.71	100.06	0.00
GNMA	2001 A-E RMBS	4.95	04/17/02	04/20/32	796,152.94	867,945.15			(8,244.41)		787,908.53	856,832.28	(2,868.46)	0.00
GNMA	2001 A-E RMBS	5.45	04/29/02	04/20/32	67,732.05	63,249.53			(331.22)		67,400.83	62,983.27	64.96	0.00
GNMA	2001 A-E RMBS	4.95	04/29/02	04/20/32	1,347,788.54	1,469,335.72			(10,838.67)		1,336,949.87	1,453,913.77	(4,583.28)	0.00
GNMA	2001 A-E RMBS	5.45	04/29/02	04/20/32	467,552.27	512,236.52			(2,963.47)		464,588.80	509,771.73	498.68	0.00
GNMA	2001 A-E RMBS	4.95	04/29/02	04/20/32	73,534.27	80,165.79			(492.94)		73,041.33	79,431.39	(241.46)	0.00
GNMA	2001 A-E RMBS	5.45	05/15/02	05/20/32	175,155.86	191,898.90			(1,026.70)		174,129.16	191,067.12	194.92	0.00
GNMA	2001 A-E RMBS	4.95	05/15/02	04/20/32	248,401.63	270,805.89			(1,506.35)		246,895.28	268,497.77	(801.77)	0.00
GNMA	2001 A-E RMBS	5.45	05/15/02	04/20/32	48,746.12	53,405.36			(293.89)		48,452.26	53,164.95	53.45	0.00
GNMA	2001 A-E RMBS	4.95	08/29/02	08/20/32	6,088.45	6,671.03			(6,088.45)				(582.58)	0.00
GNMA	2001 A-E RMBS	4.95	08/29/02	08/20/32	313,555.83	341,870.42			(1,801.28)		311,754.55	338,956.81	(1,012.33)	0.00
GNMA	2001 A-E RMBS	5.45	06/03/02	05/20/32	90,785.78	99,465.24			(516.13)		90,269.65	99,051.59	102.48	0.00
GNMA	2001 A-E RMBS	4.95	06/03/02	05/20/32	593,182.78	646,697.07			(4,780.23)		588,402.55	639,897.92	(2,018.92)	0.00
GNMA	2001 A-E RMBS	4.95	06/10/02	05/20/32	269,023.90	283,295.23			(1,858.36)		267,165.54	280,548.83	(888.24)	0.00
GNMA	2001 A-E RMBS	5.45	06/19/02	06/20/32	90,869.87	99,339.94			(583.61)		90,286.26	98,852.15	95.82	0.00
GNMA	2001 A-E RMBS	4.95	06/19/02	06/20/32	169,342.60	184,623.11			(1,044.23)		168,298.37	183,030.72	(548.16)	0.00
GNMA	2001 A-E RMBS	4.95	06/25/02	06/20/32	86,536.55	94,811.10			(66,536.55)				(6,274.55)	0.00
GNMA	2001 A-E RMBS	4.95	07/05/02	06/20/32	176,808.75	192,763.74			(1,097.12)		175,711.63	191,093.69	(572.93)	0.00
GNMA	2001 A-E RMBS	5.45	07/05/02	06/20/32	142,363.38	155,978.25			(654.65)		141,508.73	155,280.02	156.42	0.00
GNMA	2001 A-E RMBS	4.95	07/05/02	06/20/32	585,046.62	637,844.93			(3,909.07)		581,137.55	632,015.61	(1,920.25)	0.00
GNMA	2001 A-E RMBS	5.45	07/15/02	06/20/32	108,849.36	119,389.41			(931.50)		108,017.76	118,530.51	62.70	0.00
GNMA	2001 A-E RMBS	4.95	07/15/02	06/20/32	266,805.18	290,885.14			(1,970.57)		264,834.61	288,022.30	(827.17)	0.00
GNMA	2001 A-E RMBS	4.95	07/22/02	07/20/32	99,070.41	108,546.18			(99,070.41)				(9,475.77)	0.00
GNMA	2001 A-E RMBS	4.95	07/22/02	07/20/32	219,582.95	239,371.12			(1,920.51)		217,662.44	236,690.24	(760.37)	0.00
GNMA	2001 A-E RMBS	5.45	07/29/02	06/20/32	159,028.74	174,240.02			(1,003.57)		158,025.17	173,406.42	169.97	0.00
GNMA	2001 A-E RMBS	4.95	07/29/02	07/20/32	255,238.55	278,279.40			(1,537.39)		253,701.16	275,918.91	(623.10)	0.00
GNMA	2001 A-E RMBS	5.45	08/01/02	07/20/32	58,157.00	64,816.09			(331.12)		57,825.88	64,552.24	67.27	0.00
GNMA	2001 A-E RMBS	4.95	08/01/02	06/20/32	51,515.17	56,165.19			(338.91)		51,176.26	55,657.66	(168.62)	0.00
GNMA	2001 A-E RMBS	5.45	08/12/02	07/20/32	152,220.83	166,733.77			(943.20)		151,277.63	166,004.95	164.38	0.00
GNMA	2001 A-E RMBS	4.95	08/12/02	07/20/32	220,166.26	240,043.21			(1,427.93)		218,738.33	237,896.35	(718.93)	0.00
GNMA	2001 A-E RMBS	5.45	08/23/02	08/20/32	704,986.87	772,443.83			(4,119.62)		700,867.25	769,109.66	785.45	0.00
GNMA	2001 A-E RMBS	4.95	08/23/02	08/20/32	673,923.90	734,777.13			(61,439.33)		612,484.57	686,137.93	(7,199.87)	0.00
GNMA	2001 A-E RMBS	5.45	11/12/02	10/20/32	201,826.41	221,153.38			(2,910.39)		198,916.02	218,299.11	56.12	0.00
GNMA	2001 A-E RMBS	5.45	09/12/02	08/20/32	217,288.43	238,060.92			(1,326.46)		215,961.97	236,970.99	236.53	0.00
GNMA	2001 A-E RMBS	4.95	09/12/02	08/20/32	401,160.48	437,389.78			(2,429.11)		398,731.37	433,665.75	(1,294.92)	0.00
GNMA	2001 A-E RMBS	4.95	09/19/02	08/20/32	329,906.28	359,704.85			(2,608.79)		327,297.49	355,977.56	(1,118.50)	0.00
GNMA	2001 A-E RMBS	5.45	09/26/02	09/20/32	471,220.42	516,324.87			(3,082.15)		468,138.27	513,735.67	492.95	0.00
GNMA	2001 A-E RMBS	4.95	09/26/02	09/20/32	354,025.29	386,004.33			(100,185.72)		253,839.57	276,084.13	(9,734.48)	0.00
GNMA	2001 A-E RMBS	5.45	10/10/02	09/20/32	445,126.34	487,737.57			(2,487.17)		442,639.17	485,757.36	506.96	0.00
GNMA	2001 A-E RMBS	4.95	10/10/02	09/20/32	204,265.48	222,716.76			(1,301.50)		203,363.98	220,752.20	(665.06)	0.00
GNMA	2001 A-E RMBS	5.45	10/21/02	10/20/32	98,091.04	107,471.70			(544.79)		97,546.25	107,038.92	112.01	0.00
GNMA	2001 A-E RMBS	4.95	10/21/02	10/20/32	282,091.20	307,579.58			(2,480.91					

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RM/RB	5.45	10/29/02	11/20/32	47,524.20	52,075.04			(259.68)		47,264.52	51,870.05	54.68	0.00
GNMA	2001 A-E RM/RB	4.95	10/29/02	11/20/32	290,445.11	316,892.45			(1,773.97)		288,671.14	313,979.46	(39.02)	0.00
GNMA	2001 A-E RM/RB	5.45	11/05/02	10/20/32	394,144.32	431,885.57			(2,406.62)		391,737.70	429,907.90	428.95	0.00
GNMA	2001 A-E RM/RB	4.95	11/05/02	10/20/32	239,642.97	261,298.56			(1,405.48)		238,237.49	258,123.43	(789.65)	0.00
GNMA	2001 A-E RM/RB	5.45	11/26/02	11/20/32	144,270.06	158,068.01			(784.68)		143,485.38	157,469.70	166.37	0.00
GNMA	2001 A-E RM/RB	4.95	11/26/02	11/20/32	73,548.35	80,196.32			(434.25)		73,114.10	79,525.58	(236.49)	0.00
GNMA	2001 A-E RM/RB	5.45	11/26/02	11/20/32	85,779.03	93,994.78			(879.45)		84,899.58	93,174.01	58.68	0.00
GNMA	2001 A-E RM/RB	4.95	12/12/02	11/20/32	70,826.94	77,229.79			(421.96)		70,404.98	76,579.75	(228.08)	0.00
GNMA	2001 A-E RM/RB	5.45	12/12/02	11/20/32	285,201.54	312,521.07			(1,711.08)		283,490.46	311,123.29	313.30	0.00
GNMA	2001 A-E RM/RB	5.45	12/19/02	12/20/32	295,572.30	323,888.82			(1,720.57)		293,851.73	322,498.06	328.61	0.00
GNMA	2001 A-E RM/RB	4.95	12/19/02	11/20/32	58,002.25	63,245.98			(391.33)		57,610.92	62,663.85	(180.80)	0.00
GNMA	2001 A-E RM/RB	5.45	12/30/02	12/20/32	211,781.34	232,072.36			(1,537.07)		210,244.27	230,741.70	206.41	0.00
GNMA	2001 A-E RM/RB	5.45	12/30/02	12/20/32	40,651.41	44,546.27			(222.31)		40,429.10	44,370.67	46.71	0.00
GNMA	2001 A-E RM/RB	5.45	01/09/03	12/20/32	50,245.99	55,060.45			(397.61)		49,848.38	54,708.66	45.82	0.00
GNMA	2001 A-E RM/RB	5.45	01/23/03	01/20/33	356,201.79	389,135.39			(2,039.96)		353,161.83	387,544.85	449.42	0.00
GNMA	2001 A-E RM/RB	4.95	01/23/03	01/20/33	188,106.78	206,132.67			(1,257.00)		187,849.78	204,251.96	(623.71)	0.00
GNMA	2001 A-E RM/RB	5.45	01/23/03	01/20/33	86,930.07	95,234.79			(466.20)		86,463.87	94,881.79	113.20	0.00
GNMA	2001 A-E RM/RB	4.95	01/23/03	01/20/33	38,549.03	43,109.76			(962.25)		38,586.78	41,956.00	(191.51)	0.00
GNMA	2001 A-E RM/RB	5.45	01/30/03	12/20/32	184,691.10	202,390.66			(1,489.22)		183,201.88	201,067.11	165.67	0.00
GNMA	2001 A-E RM/RB	4.95	01/30/03	01/20/33	67,393.21	73,450.31			(535.98)		66,847.23	72,684.39	(229.94)	0.00
GNMA	2001 A-E RM/RB	5.45	02/12/03	01/20/33	219,729.55	240,724.43			(1,341.58)		218,387.97	239,653.10	270.25	0.00
GNMA	2001 A-E RM/RB	4.95	02/12/03	02/20/33	150,403.22	163,947.98			(867.69)		149,535.53	162,595.72	(484.57)	0.00
GNMA	2001 A-E RM/RB	5.45	02/20/03	02/20/33	167,930.30	183,978.05			(1,055.62)		166,874.68	183,126.01	203.58	0.00
GNMA	2001 A-E RM/RB	4.95	02/27/03	02/20/33	128,976.38	141,693.31			(911.97)		128,064.41	140,338.10	(432.94)	0.00
GNMA	2001 A-E RM/RB	4.95	03/12/03	02/20/33	150,552.31	164,113.47			(2,362.21)		148,190.10	161,135.70	(615.56)	0.00
GNMA	2001 A-E RM/RB	5.45	03/20/03	02/20/33	245,914.40	269,419.62			(1,925.35)		243,989.05	267,756.39	261.12	0.00
GNMA	2001 A-E RM/RB	4.95	03/20/03	02/20/33	95,361.38	103,951.79			(638.47)		94,722.91	102,998.34	(314.98)	0.00
GNMA	2001 A-E RM/RB	5.45	04/02/03	03/20/33	106,379.85	116,549.71			(651.22)		105,728.63	116,029.14	130.65	0.00
GNMA	2001 A-E RM/RB	5.45	04/10/03	03/20/33	115,000.66	125,995.30			(623.65)		114,377.01	125,301.22	129.57	0.00
GNMA	2001 A-E RM/RB	5.45	04/17/03	03/20/33	44,309.75	48,546.23			(798.52)		43,511.23	47,750.75	3.04	0.00
GNMA	2001 A-E RM/RB	5.45	04/29/03	04/20/33	208,025.24	227,918.09			(1,125.99)		206,899.25	227,061.93	269.83	0.00
GNMA	2001 A-E RM/RB	5.45	05/08/03	04/20/33	145,763.98	159,703.93			(782.84)		144,981.14	159,110.75	189.66	0.00
GNMA	2001 A-E RM/RB	5.45	05/22/03	04/20/33	45,119.71	49,435.12			(268.61)		44,851.10	49,222.66	56.15	0.00
GNMA	2001 A-E RM/RB	5.45	05/29/03	05/20/33	293,225.32	293,892.63			(1,409.89)		292,815.43	292,824.70	351.96	0.00
GNMA	2001 A-E RM/RB	5.45	06/10/03	05/20/33	94,547.48	103,592.33			(491.23)		94,056.25	103,225.72	124.62	0.00
GNMA	2001 A-E RM/RB	5.45	06/19/03	06/20/33	106,044.06	116,190.25			(645.48)		105,398.58	115,675.32	130.55	0.00
GNMA	2001 A-E RM/RB	5.45	06/19/03	06/20/33	139,414.12	152,753.12			(1,540.35)		137,873.77	151,316.96	104.19	0.00
GNMA	2001 A-E RM/RB	5.45	06/26/03	06/20/33	95,256.27	104,370.82			(776.49)		94,479.78	103,692.42	98.09	0.00
GNMA	2001 A-E RM/RB	5.45	07/10/03	06/20/33	46,918.05	51,407.85			(239.91)		46,678.14	51,230.15	62.21	0.00
GNMA	2001 A-E RM/RB	5.45	07/17/03	07/20/33	50,227.86	55,035.00			(255.18)		49,972.68	54,846.64	66.82	0.00
GNMA	2001 A-E RM/RB	5.45	07/24/03	07/20/33	46,775.99	51,253.02			(241.86)		46,534.13	51,072.82	61.76	0.00
GNMA	2001 A-E RM/RB	5.45	08/07/03	07/20/33	86,346.99	94,612.40			(924.20)		85,422.79	93,755.60	67.40	0.00
GNMA	2001 A-E RM/RB	5.45	08/28/03	08/20/33	50,928.87	55,805.12			(328.44)		50,600.43	55,537.67	60.69	0.00
GNMA	2001 A-E RM/RB	5.45	10/23/03	10/20/33	46,980.39	51,481.18			(264.45)		46,715.94	51,276.65	59.92	0.00
GNMA	2001 A-E RM/RB	5.45	11/20/03	10/20/33	50,234.97	55,048.67			(251.95)		49,983.02	54,863.78	67.06	0.00
GNMA	2001 A-E RM/RB	5.45	11/26/03	06/20/33	59,998.25	65,746.11			(327.94)		59,670.31	65,465.57	77.40	0.00
GNMA	2001 A-E RM/RB	5.45	12/04/03	11/20/33	232,808.83	255,121.52			(1,196.42)		231,612.41	254,253.10	308.00	0.00
GNMA	2001 A-E RM/RB	5.45	12/11/03	12/20/33	56,767.67	62,208.87			(287.45)		56,480.22	61,997.00	75.58	0.00
GNMA	2001 A-E RM/RB	4.95	01/22/04	01/20/34	238,288.50	258,627.02			(97,305.17)		140,983.33	152,847.78	(6,774.07)	0.00
GNMA	2001 A-E RM/RB	5.45	01/22/04	12/20/33	49,324.75	54,054.27			(242.34)		49,082.41	53,878.21	66.28	0.00
GNMA	2001 A-E RM/RB	5.45	01/29/04	11/20/33	48,606.62	53,267.18			(243.10)		48,363.52	53,069.03	64.95	0.00
GNMA	2001 A-E RM/RB	5.45	02/12/04	11/20/33	48,566.58	53,223.83			(354.00)		48,212.58	52,923.88	54.05	0.00
GNMA	2001 A-E RM/RB	5.45	03/11/04	02/20/34	49,714.30	54,418.58			(242.27)		49,472.03	54,235.70	59.39	0.00
GNMA	2001 A-E RM/RB	4.95	03/11/04	02/20/34	120,913.06	131,697.86			(624.09)		120,278.97	130,710.50	(353.27)	0.00
GNMA	2001 A-E RM/RB	5.45	04/16/04	04/20/34	95,305.51	103,966.22			(498.06)		94,807.45	102,792.08	(276.08)	0.00
FNMA	2001 A-E RM/RB	5.45	04/17/02	03/01/32	284,636.82	286,790.32			(280.21)		284,356.61	286,510.11	51.50	0.00
FNMA	2001 A-E RM/RB	4.95	05/15/02	04/01/32	66,467.92	73,440.76			(416.91)		66,051.01	72,640.42	(393.43)	0.00
FNMA	2001 A-E RM/RB	4.95	09/10/02	06/01/32	74,116.82	79,501.22			(1,507.72)		72,609.10	77,507.08	(498.42)	0.00
FNMA	2001 A-E RM/RB	4.95	07/22/02	06/01/32	133,332.35	143,020.47			(1,247.34)		132,085.01	140,996.89	(776.24)	0.00
FNMA	2001 A-E RM/RB	5.45	09/19/02	08/01/32	222,408.27	242,118.25			(1,275.42)		221,132.85	240,967.09	124.26	0.00
FNMA	2001 A-E RM/RB	4.95	09/26/02	09/01/32	61,157.06	67,056.84			(479.96)		60,677.10	66,123.21	(453.67)	0.00
FNMA	2001 A-E RM/RB	5.45	01/23/03	11/01/32	210,137.78	227,748.04			(1,226.74)		208,911.04	226,635.82	114.52	0.00
FNMA	2001 A-E RM/RB	4.95	07/24/03	09/01/32	203,156.48	217,946.76			(1,772.42)		201,384.06	214,999.64	(1,174.70)	0.00
FNMA	2001 A-E RM/RB	5.45	04/08/04	01/01/32	23,151.25	25,094.37			(248.34)		22,902.91	24,848.95	2.92	0.00
Repo Agmt	2001 A-E RM/RB	0.20	11/30/10	12/01/10	39,323.19	39,323.19					505.65	505.65	-	0.00
Repo Agmt	2001 A-E RM/RB	0.20	11/30/10	12/01/10	183.83	183.83	0.01	(38,817.54)			183.84	183.84	-	0.00
GNMA	2001 A-E RM/RB	5.49	03/12/03	03/20/33	4,576.91	5,018.21			(23.84)		4,553.07	5,000.37	6.00	0.00
GNMA	2001 A-E RM/RB				11,083.40	12,152.08			(11,083.40)				(1,068.68)	0.00
GNMA	2001 A-E RM/RB	5.49	04/02/03	03/20/33	19,061.85	20,900.10			(110.36)		18,951.47	20,813.65	23.93	0.00
GNMA	2001 A-E RM/RB	4.80	04/02/03	03/20/33	10,422.25	11,325.05			(62.43)		10,359.82	11,229.58	(33.04)	0.00
GNMA	2001 A-E RM/RB	4.80	04/10/03	04/20/33	46,793.72	50,847.80			(267.34)		46,526.38	50,433.20	(147.26)	0.00
GNMA	2001 A-E RM/RB	5.49	04/17/03	04/20/33	33,127.18	36,322.45			(321.61)		32,805.57	36,150.48	39.64	0.00
GNMA	2001 A-E RM/RB	4.80	04/17/03	03/20/33	8,828.34	9,593.18			(51.79)		8,776.55	9,513.49	(27.90)	0.00
GNMA	2001 A-E RM/RB	4.80	04/24/03	04/20/33	10,520.94	11,432.54			(59.72)		10,461.22	11,339.75	(33.07)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	6,602.75	7,239.69			(34.61)		6,568.14	7,213.73	8.65	0.00
GNMA	2001 A-E RMRB	4.80	04/28/03	03/20/33	9,968.73	9,746.90			(53.85)		9,915.88	9,664.60	(28.45)	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	26,291.20	28,827.69			(138.02)		26,153.18	28,724.08	34.41	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	14,217.52	15,589.25			(73.52)		14,144.00	15,534.44	18.71	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	13,179.62	14,321.79			(81.04)		13,098.58	14,198.78	(41.97)	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	38,408.36	38,408.16			(211.35)		34,817.01	38,239.94	43.13	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	12,592.85	13,684.24			(71.81)		12,521.04	13,572.81	(38.62)	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	5,587.17	6,126.34			(31.63)		5,555.54	6,101.79	7.08	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	18,651.72	20,269.47			(106.13)		18,545.59	20,103.66	(58.68)	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	11,640.64	11,640.48			(54.41)		10,561.63	11,600.08	14.01	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	5,437.22	5,961.99			(27.71)		5,409.51	5,941.46	7.18	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	9,819.75	10,671.19			(54.93)		9,764.82	10,585.45	(30.81)	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	12,182.41	13,358.16			(5,263.80)		6,918.61	7,598.95	(495.41)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,254.85	6,797.12			(35.67)		6,219.18	6,741.76	(19.69)	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	4,765.30	5,225.27			(24.80)		4,740.50	5,206.73	6.26	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	13,749.35	15,076.51			(80.45)		13,668.90	15,013.23	17.17	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	14,443.85	15,638.25			(95.93)		14,348.02	15,759.24	16.92	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	13,361.63	14,520.37			(75.26)		13,286.37	14,403.14	(41.97)	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	47,910.36	52,065.24			(330.93)		47,579.43	51,578.69	(155.62)	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	36,145.54	39,635.31			(250.08)		35,895.46	39,426.60	41.37	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	36,691.73	39,874.18			(211.09)		36,480.64	39,547.47	(115.62)	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	6,470.94	7,095.75			(32.68)		6,438.26	7,071.66	8.59	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	25,512.20	27,975.67			(169.07)		25,343.13	27,836.52	29.92	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	10,179.74	11,062.72			(57.00)		10,122.74	10,973.77	(31.95)	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	15,278.30	16,753.74			(5,825.45)		9,452.85	10,382.97	(545.32)	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	17,355.21	18,860.83			(100.40)		17,254.81	18,705.68	(54.75)	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	5,907.83	6,478.40			(30.83)		5,877.00	6,455.32	7.75	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	11,996.64	13,037.57			(69.59)		11,927.05	12,930.12	(37.86)	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	4,984.44	5,465.86			(29.38)		4,955.06	5,442.70	6.22	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	24,430.82	26,790.97			(133.41)		24,297.41	26,689.00	31.44	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	31,620.04	34,581.74			(177.30)		31,642.74	34,304.64	(89.80)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	6,999.52	7,606.99			(38.43)		6,961.09	7,546.86	(21.90)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	30,037.97	32,940.07			(169.86)		29,868.11	32,808.29	38.08	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	32,219.08	35,015.71			(194.62)		32,024.46	34,718.76	(102.33)	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,331.84	10,233.54			(47.55)		9,283.89	10,187.88	12.29	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	21,814.20	23,881.05			(6,299.83)		15,514.37	17,013.11	(568.11)	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	150,202.13	162,864.25			(875.73)		149,326.40	161,517.84	(470.68)	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	10,116.91	11,075.59			(50.83)		10,066.08	11,038.61	13.85	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	97,944.07	106,448.55			(551.86)		97,392.21	105,589.93	(307.76)	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	142,638.31	154,666.01			(17,047.22)		125,591.09	135,847.53	(1,771.26)	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	5,716.34	6,268.91			(61.74)		5,654.60	6,211.53	4.36	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	33,826.90	36,765.03			(196.93)		33,629.97	36,461.26	(106.84)	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	54,733.79	59,350.13			(447.50)		54,285.89	58,720.16	(182.07)	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	4,726.75	5,183.69			(23.70)		4,703.05	5,166.26	6.27	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	30,997.84	33,612.34			(242.64)		30,755.20	33,267.53	(102.17)	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	9,807.24	10,755.26			(57.52)		9,749.62	10,709.86	12.22	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,288.56	5,799.99			(38.03)		5,250.53	5,767.83	5.90	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	12,500.32	13,586.38			(68.22)		12,432.10	13,479.06	(39.10)	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	5,787.92	6,347.62			(28.71)		5,759.21	6,326.65	7.74	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	5,259.74	5,703.41			(28.32)		5,231.42	5,658.79	(16.30)	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	18,191.31	19,925.68			(194.58)		17,996.63	19,742.19	11.19	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	36,395.42	39,797.06			(246.37)		36,148.05	39,587.81	37.12	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	36,052.66	39,149.82			(201.43)		35,851.25	38,840.86	(107.53)	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	5,566.79	6,097.60			(34.08)		5,532.71	6,069.41	5.89	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	19,154.70	20,752.21			(119.25)		19,035.45	20,575.10	(67.86)	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	28,465.99	31,180.77			(142.58)		28,323.41	31,071.42	33.23	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	25,269.52	27,377.49			(141.48)		25,128.04	27,160.97	(75.04)	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	9,898.52	10,821.80			(49.72)		9,848.80	10,783.81	11.73	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	10,861.86	11,551.51			(56.42)		10,805.44	11,463.69	(31.40)	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	47,920.66	52,492.16			(257.06)		47,663.60	52,289.40	54.30	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	21,898.42	23,946.46			(106.61)		21,791.61	23,865.92	26.27	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	7,351.95	8,054.14			(38.74)		7,313.21	8,023.80	8.40	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,188.72	9,967.24			(49.04)		9,149.68	9,891.08	(27.12)	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	21,637.77	29,782.05			(52.00)		21,585.77	29,674.49	(65.56)	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	24,478.35	26,583.38			(138.79)		24,339.56	26,371.39	(73.20)	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	17,928.40	19,639.43			(87.55)		17,840.85	19,573.02	21.14	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	21,032.43	22,788.26			(129.59)		20,902.84	22,585.24	(63.43)	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,032.76	10,990.28			(50.34)		9,982.42	10,951.64	11.70	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	16,492.20	17,910.65			(89.57)		16,402.63	17,772.09	(48.99)	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,617.20	7,248.77			(31.59)		6,585.61	7,225.06	7.88	0.00
GNMA	2001 A-E RMRB				10,364.20	11,255.65			(10,364.20)				(891.45)	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	17,701.01	19,390.91			(100.56)		17,600.45	19,309.87	19.52	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,861.37	7,342.75			(29.58)		6,831.79	7,313.17	7.49	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	3,416.49	3,742.75			(16.19)		3,400.30	3,730.64	4.08	0.00
GNMA	2001 A-E RMRB	5.49	08/02/04	08/20/34	15,283.38	16,715.16			(78.90)		15,204.48	16,654.17	17.91	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain	
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	13,980.42	15,316.59			(66.80)		13,913.62	15,266.41	16.62	0.00	
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	16,154.49	17,698.49			(74.76)		16,079.73	17,643.19	19.46	0.00	
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	13,079.79	14,206.57			(66.98)		13,012.81	14,101.05	(38.54)	0.00	
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	9,926.78	9,926.88			(41.68)		9,019.10	9,896.13	10.93	0.00	
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	11,657.46	12,771.88			(55.06)		11,602.40	12,730.74	13.92	0.00	
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	12,864.39	13,972.71			(67.33)		12,797.06	13,867.35	(38.03)	0.00	
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,223.26	12,265.13			(53.97)		11,169.29	12,254.47	13.31	0.00	
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	10,916.39	11,959.22			(51.18)		10,865.21	11,921.13	13.09	0.00	
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	6,754.26	7,399.62			(32.39)		6,721.87	7,375.25	8.02	0.00	
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	20,512.88	22,472.94			(129.46)		20,383.42	22,364.82	21.34	0.00	
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	20,897.22	22,896.14			(100.31)		20,796.91	22,820.64	24.81	0.00	
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	24,222.37	26,310.63			(124.89)		24,097.48	26,114.29	(71.45)	0.00	
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	1,767.33	1,915.16			(53.79)		1,713.54	1,852.55	(8.82)	0.00	
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	13,984.79	15,322.02			(67.15)		13,917.64	15,271.47	16.60	0.00	
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	11,605.31	12,715.70			(53.01)		11,552.30	12,676.73	14.04	0.00	
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	14,107.95	15,324.61			(70.48)		14,037.47	15,212.71	(41.42)	0.00	
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	10,566.04	11,566.87			(47.33)		10,518.71	11,531.73	12.19	0.00	
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	31,577.96	34,509.57			(142.87)		31,435.09	34,403.85	37.15	0.00	
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,209.79	12,283.03			(50.67)		11,159.12	12,245.96	13.60	0.00	
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,218.02	6,807.59			(28.85)		6,189.17	6,765.81	7.07	0.00	
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	7,717.01	8,449.28			(34.72)		7,682.29	8,423.40	8.86	0.00	
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,151.97	8,701.60			(40.60)		8,111.37	8,640.26	(20.74)	0.00	
GNMA	2001 A-E RMRB	4.80	08/02/05	04/20/35	25,266.35	26,907.92			(12,623.03)		12,643.32	13,436.82	(848.07)	0.00	
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	13,370.20	14,614.40			(62.49)		13,307.71	14,567.45	15.54	0.00	
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	24,985.23	27,321.45			(110.09)		24,875.14	27,241.05	29.69	0.00	
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	25,907.00	28,366.19			(112.38)		25,794.62	28,284.00	30.19	0.00	
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	12,529.86	13,373.40			(63.07)		12,466.79	13,278.43	(31.90)	0.00	
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	14,288.22	15,645.43			(61.65)		14,226.57	15,600.48	16.70	0.00	
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	18,735.13	20,515.97			(114.67)		18,620.46	20,419.90	18.60	0.00	
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	25,385.94	27,798.19			(108.39)		25,277.55	27,719.54	29.74	0.00	
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	23,428.64	24,701.47			(127.70)		23,300.94	24,518.65	(65.12)	0.00	
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	14,682.76	15,670.19			(71.22)		14,611.56	15,581.73	(37.24)	0.00	
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	18,521.22	20,281.80			(78.44)		18,442.78	20,225.12	21.76	0.00	
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,006.84	8,753.51			(33.24)		7,973.60	8,736.09	15.82	0.00	
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	26,827.86	29,093.44			(142.04)		26,685.82	28,980.29	28.89	0.00	
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,018.73	8,585.91			(46.02)		7,970.71	8,466.67	(81.22)	0.00	
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	5,925.93	6,426.96			(29.81)		5,896.12	6,403.67	6.52	0.00	
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	29,033.26	31,124.78			(270.83)		28,762.43	31,110.05	256.10	0.00	
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	9,925.89	10,623.72			(65.74)		9,830.15	10,674.34	146.36	0.00	
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,083.75	7,682.75			(40.18)		7,043.57	7,754.52	111.95	0.00	
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	25,851.31	28,096.63			(124.25)		25,727.06	28,407.84	435.46	0.00	
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,430.91	6,883.81			(40.89)		6,390.02	6,904.67	61.75	0.00	
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,069.63	4,384.58			(18.69)		4,049.94	4,450.57	74.68	0.00	
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	14,375.93	15,528.49			(76.30)		14,299.63	15,743.78	291.59	0.00	
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	7,452.41	7,824.86			(63.96)		7,388.35	7,862.34	90.54	0.00	
	<b>2001 A-E RMRB Total</b>				<b>35,137,860.93</b>	<b>38,104,029.24</b>	<b>715,577.38</b>	<b>(38,817.54)</b>	<b>(1,120,455.36)</b>	<b>0.00</b>	<b>34,694,161.31</b>	<b>37,576,646.02</b>	<b>(23,683.70)</b>	<b>0.00</b>	
Repo Agmt	2002 RMRB	0.20	11/30/10	12/01/10	113,274.89	113,274.89						327,624.13	327,624.13	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	417,745.35	417,745.35	214,349.24				1,012,165.25	1,012,165.25	-	0.00	
Repo Agmt	2002 RMRB	0.20	11/30/10	12/01/10	3,475.91	3,475.91	594,419.90				0.04	0.04	-	0.00	
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	128,493.49	128,493.49	3,475.93				131,969.42	131,969.42	-	0.00	
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	37,413.06	41,020.44					37,218.14	40,874.63	49.11	0.00	
GNMA	2002 RMRB				90,599.44	99,334.82					(90,599.44)		(8,735.48)	0.00	
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	155,817.54	170,843.93					154,915.30	170,137.30	195.61	0.00	
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	85,194.70	92,574.56					84,694.37	91,794.13	(270.10)	0.00	
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	362,506.71	415,845.87					380,321.43	412,256.79	(1,203.80)	0.00	
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	270,782.03	296,911.03					269,062.26	295,505.31	324.05	0.00	
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	72,165.68	78,417.69					71,742.27	77,766.24	(228.04)	0.00	
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	86,001.43	93,453.17					85,513.37	92,694.71	(270.40)	0.00	
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	59,973.12	59,179.52					53,680.22	58,967.29	70.67	0.00	
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	73,321.51	79,674.23					72,881.35	79,001.52	(232.55)	0.00	
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	214,912.54	235,646.55					213,784.36	234,799.57	281.20	0.00	
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	116,218.48	127,431.46					115,617.50	126,983.45	152.97	0.00	
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	107,734.34	117,070.80					107,071.84	116,065.27	(343.03)	0.00	
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	286,332.80	313,960.34					284,605.18	312,585.29	352.57	0.00	
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	102,937.94	111,859.28					102,350.95	110,948.39	(323.90)	0.00	
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	50,078.68	50,078.68					45,413.20	49,878.00	57.90	0.00	
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	152,465.26	165,680.85					151,597.67	164,333.68	(479.58)	0.00	
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	86,778.75	95,152.96					86,333.90	94,822.70	114.58	0.00	
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	44,445.54	48,735.20					44,218.95	48,567.42	58.81	0.00	
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	80,270.12	87,229.67					79,821.11	86,528.80	(251.86)	0.00	
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	99,582.61	108,193.86					96,554.63	102,116.21	(4,049.67)	0.00	
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	55,128.74	55,561.78					50,837.16	55,109.31	(160.89)	0.00	
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	38,953.28	42,713.04					38,750.59	42,561.48	51.14	0.00	
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	112,391.45	123,240.16					111,733.80	122,722.89	140.38	0.00	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2002 RMBS	5.49	07/10/03	06/20/33	118,069.50	129,466.83			(784.19)		117,285.31	128,820.93	138.29	0.00
GNMA	2002 RMBS	4.80	07/10/03	06/20/33	109,222.49	118,693.99			(615.14)		108,607.35	117,735.78	(343.07)	0.00
GNMA	2002 RMBS	4.80	07/17/03	06/20/33	391,633.79	425,597.56			(2,705.11)		388,928.68	421,620.33	(1,272.12)	0.00
GNMA	2002 RMBS	5.49	07/24/03	07/20/33	295,464.78	323,991.40			(2,044.11)		293,420.67	322,285.32	(338.03)	0.00
GNMA	2002 RMBS	4.80	07/24/03	07/20/33	289,929.51	325,943.97			(1,725.47)		298,204.04	323,273.32	(945.18)	0.00
GNMA	2002 RMBS	5.49	07/30/03	07/20/33	52,895.71	58,002.90			(267.17)		52,628.54	57,805.96	(70.23)	0.00
GNMA	2002 RMBS	5.49	08/07/03	07/20/33	208,544.92	228,681.89			(1,382.03)		207,162.89	227,544.40	(244.54)	0.00
GNMA	2002 RMBS	4.80	08/07/03	06/20/33	83,212.45	90,430.19			(465.94)		82,746.51	85,703.09	(261.16)	0.00
GNMA	2002 RMBS	5.49	08/14/03	08/20/33	124,899.55	136,950.35			(47,619.06)		77,270.49	84,873.64	(4,457.65)	0.00
GNMA	2002 RMBS	4.80	08/14/03	07/20/33	141,867.15	154,174.34			(820.69)		141,046.46	152,906.04	(447.61)	0.00
GNMA	2002 RMBS	5.49	08/21/03	08/20/33	48,292.55	52,956.51			(252.00)		48,040.55	52,767.83	63.32	0.00
GNMA	2002 RMBS	4.80	08/28/03	08/20/33	98,064.30	106,573.24			(568.87)		97,495.43	105,694.92	(308.45)	0.00
GNMA	2002 RMBS	5.49	09/04/03	08/20/33	40,744.32	44,679.68			(240.03)		40,504.29	44,490.37	50.72	0.00
GNMA	2002 RMBS	5.49	09/18/03	09/20/33	199,705.33	218,997.82			(1,090.61)		198,614.72	218,164.27	(267.06)	0.00
GNMA	2002 RMBS	4.80	09/18/03	08/20/33	260,107.03	282,591.98			(1,448.30)		258,657.73	280,416.85	(815.83)	0.00
GNMA	2002 RMBS	4.80	09/18/03	09/20/33	57,216.09	62,181.96			(314.12)		56,901.97	61,588.78	(179.05)	0.00
GNMA	2002 RMBS	5.49	09/29/03	09/20/33	245,539.95	269,262.40			(1,398.52)		244,141.43	268,185.24	(311.36)	0.00
GNMA	2002 RMBS	4.80	09/29/03	09/20/33	263,368.94	266,229.37			(1,590.93)		261,778.01	263,801.98	(856.46)	0.00
GNMA	2002 RMBS	5.49	10/16/03	09/20/33	76,291.41	83,652.16			(382.09)		75,909.32	83,360.68	100.61	0.00
GNMA	2002 RMBS	5.49	10/30/03	10/20/33	178,315.92	195,211.16			(51,496.66)		126,819.26	139,070.51	(4,643.99)	0.00
GNMA	2002 RMBS	4.80	10/30/03	10/20/33	1,227,799.22	1,331,303.22			(7,150.50)		1,220,648.72	1,320,297.28	(3,847.44)	0.00
GNMA	2002 RMBS	5.49	11/13/03	10/20/33	82,698.78	90,535.33			(415.53)		82,283.25	90,233.06	113.26	0.00
GNMA	2002 RMBS	4.80	11/13/03	10/20/33	800,625.22	870,151.86			(4,511.12)		796,114.10	863,125.03	(2,515.71)	0.00
GNMA	2002 RMBS	4.80	11/20/03	11/20/33	1,165,969.72	1,264,288.24			(139,349.31)		1,026,620.41	1,110,460.10	(14,478.83)	0.00
GNMA	2002 RMBS	5.49	11/26/03	10/20/33	46,727.21	51,244.07			(504.61)		46,222.60	50,775.03	35.57	0.00
GNMA	2002 RMBS	4.80	11/26/03	11/20/33	276,511.88	300,528.85			(1,809.88)		274,902.00	298,045.72	(873.25)	0.00
GNMA	2002 RMBS	4.80	12/04/03	12/20/33	447,411.37	485,146.46			(3,661.27)		443,750.00	479,996.93	(1,488.16)	0.00
GNMA	2002 RMBS	5.49	12/04/03	11/20/33	38,637.71	42,373.14			(193.88)		38,443.83	42,230.70	51.44	0.00
GNMA	2002 RMBS	4.80	12/11/03	12/20/33	263,385.90	274,757.76			(1,983.39)		261,402.51	271,939.19	(835.18)	0.00
GNMA	2002 RMBS	5.49	12/11/03	09/20/33	80,167.26	87,916.93			(470.99)		79,696.27	87,545.83	99.89	0.00
GNMA	2002 RMBS	5.49	12/18/03	12/20/33	43,230.57	47,410.67			(310.87)		42,919.70	47,148.05	48.25	0.00
GNMA	2002 RMBS	4.80	12/18/03	12/20/33	102,181.77	111,059.33			(657.63)		101,524.14	110,182.13	(319.57)	0.00
GNMA	2002 RMBS	5.49	12/23/03	12/20/33	47,312.41	51,687.44			(234.60)		47,077.81	51,716.06	63.22	0.00
GNMA	2002 RMBS	4.80	12/23/03	12/20/33	42,994.60	46,621.46			(231.51)		42,763.09	46,256.76	(133.19)	0.00
GNMA	2002 RMBS	5.49	01/15/04	01/20/34	148,701.21	162,878.73			(1,591.40)		147,109.81	161,378.88	91.55	0.00
GNMA	2002 RMBS	5.49	01/22/04	01/20/34	297,507.41	325,313.57			(2,013.93)		295,493.48	323,603.10	(303.46)	0.00
GNMA	2002 RMBS	4.80	01/22/04	01/20/34	294,705.89	320,022.95			(1,646.53)		293,059.36	317,497.36	(879.05)	0.00
GNMA	2002 RMBS	5.49	01/29/04	01/20/34	45,504.75	49,843.75			(278.70)		45,226.05	49,613.28	48.23	0.00
GNMA	2002 RMBS	4.80	02/12/04	01/20/34	156,576.15	169,635.03			(674.83)		155,901.32	168,187.30	(472.90)	0.00
GNMA	2002 RMBS	5.49	02/12/04	02/20/34	232,689.79	254,881.40			(1,165.60)		231,524.19	253,987.52	(271.72)	0.00
GNMA	2002 RMBS	4.80	02/26/04	02/20/34	206,560.84	223,792.11			(1,156.41)		205,404.43	222,022.28	(613.42)	0.00
GNMA	2002 RMBS	5.49	02/26/04	02/20/34	80,897.16	88,460.80			(406.47)		80,490.72	88,150.26	95.93	0.00
GNMA	2002 RMBS	4.80	03/11/04	03/20/34	37,153.91	94,425.70			(461.23)		86,692.68	93,707.79	(256.68)	0.00
GNMA	2002 RMBS	5.49	03/11/04	03/20/34	391,718.33	429,087.30			(2,101.27)		389,617.06	427,429.92	(443.89)	0.00
GNMA	2002 RMBS	5.49	03/25/04	03/20/34	179,004.61	195,745.85			(873.16)		178,131.45	195,087.46	(214.77)	0.00
GNMA	2002 RMBS	5.49	07/09/04	07/20/34	60,096.85	65,837.07			(316.63)		59,780.22	65,589.07	68.63	0.00
GNMA	2002 RMBS	4.80	07/09/04	06/20/34	75,193.23	81,475.34			(400.79)		74,792.44	80,852.81	(221.74)	0.00
GNMA	2002 RMBS	5.49	04/01/04	04/20/34	176,873.99	243,447.81			(425.11)		176,448.88	242,588.80	(454.10)	0.00
GNMA	2002 RMBS	4.80	04/22/04	04/20/34	200,094.05	217,300.85			(1,134.49)		198,959.56	215,568.00	(598.36)	0.00
GNMA	2002 RMBS	5.49	04/22/04	04/20/34	146,552.50	160,538.92			(715.73)		145,836.77	159,996.08	(172.89)	0.00
GNMA	2002 RMBS	4.80	04/29/04	04/20/34	171,926.06	186,278.39			(1,059.35)		170,866.71	184,700.55	(518.48)	0.00
GNMA	2002 RMBS	5.49	04/29/04	04/20/34	82,010.73	89,837.98			(411.48)		81,599.25	89,522.18	95.68	0.00
GNMA	2002 RMBS	4.80	05/06/04	04/20/34	134,812.76	146,407.27			(732.13)		134,080.63	145,274.68	(400.46)	0.00
GNMA	2002 RMBS	5.49	05/06/04	04/20/34	54,090.96	59,253.71			(258.23)		53,832.63	59,056.86	64.38	0.00
GNMA	2002 RMBS				84,720.44	92,007.22			(84,720.44)				(7,286.78)	0.00
GNMA	2002 RMBS	5.49	05/27/04	05/20/34	144,693.42	158,507.40			(821.93)		143,871.49	157,844.95	158.48	0.00
GNMA	2002 RMBS	5.49	06/03/04	05/20/34	51,198.78	56,087.02			(241.71)		50,957.07	55,906.45	61.14	0.00
GNMA	2002 RMBS	5.49	06/24/04	06/20/34	27,927.39	30,594.41			(132.32)		27,795.07	30,495.43	33.34	0.00
GNMA	2002 RMBS	5.49	09/02/04	08/20/34	124,931.28	136,634.94			(644.82)		124,286.36	136,136.45	(146.43)	0.00
GNMA	2002 RMBS	5.49	09/01/04	09/20/34	114,280.75	125,202.63			(546.12)		113,734.63	124,792.46	(135.95)	0.00
GNMA	2002 RMBS	5.49	09/16/04	09/20/34	132,051.28	144,673.02			(611.11)		131,440.17	144,220.92	(135.01)	0.00
GNMA	2002 RMBS	4.80	09/29/04	09/20/34	106,918.08	116,129.01			(547.61)		106,370.47	115,266.45	(314.95)	0.00
GNMA	2002 RMBS	5.49	09/29/04	09/20/34	74,065.32	81,145.49			(340.77)		73,724.55	80,894.09	89.37	0.00
GNMA	2002 RMBS	5.49	10/07/04	09/20/34	95,291.59	104,401.33			(450.09)		94,841.50	104,065.09	113.85	0.00
GNMA	2002 RMBS	4.80	10/07/04	09/20/34	105,157.48	114,217.31			(550.46)		104,607.02	113,356.07	(310.78)	0.00
GNMA	2002 RMBS	5.49	07/15/04	04/20/34	91,742.62	100,504.27			(441.18)		91,301.44	100,171.87	108.78	0.00
GNMA	2002 RMBS	5.49	07/22/04	07/20/34	89,234.25	97,758.41			(418.28)		88,815.97	97,447.07	106.94	0.00
GNMA	2002 RMBS	5.49	08/05/04	08/20/34	55,211.70	60,486.79			(264.78)		54,946.92	60,287.58	65.57	0.00
GNMA	2002 RMBS	5.49	08/19/04	08/20/34	167,678.46	183,700.88			(1,058.27)		166,620.19	182,817.08	(174.46)	0.00
GNMA	2002 RMBS	5.49	12/02/04	11/20/34	170,820.42	187,160.20			(819.96)		170,000.46	186,543.03	202.79	0.00
GNMA	2002 RMBS	4.80	12/02/04	11/20/34	198,001.54	215,071.31			(1,020.97)		196,980.57	213,466.40	(583.94)	0.00
GNMA	2002 RMBS	4.80	10/28/04	09/20/34	14,446.67	15,655.18			(439.74)		14,006.93	15,143.39	(72.05)	0.00
GNMA	2002 RMBS	5.49	10/28/04	10/20/34	114,315.88	125,246.98			(548.93)		113,766.95	124,833.75	(135.70)	0.00
GNMA	2002 RMBS	5.49	12/29/04	12/20/34	94,865.17	103,942.10			(433.28)		94,431.89	103,623.56	114.74	0.00
GNMA	2002 RMBS	4.80	12/29/04	12/20/34	115,323.03	125,268.21			(576.15)		114,746.88	124,353.48	(338.58)	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	86,370.53	94,551.26			(86.77)		85,883.76	94,264.02	89.53	0.00
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	258,127.82	282,082.02			(1,167.94)		256,956.88	281,227.82	303.74	0.00
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	91,632.54	100,405.31			(414.23)		91,218.31	100,102.93	111.25	0.00
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	50,827.77	55,647.43			(235.84)		50,591.93	55,469.36	57.77	0.00
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	63,081.11	69,066.94			(263.92)		62,797.19	68,855.85	72.53	0.00
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	66,637.04	71,129.66			(631.90)		66,305.14	70,828.22	(169.54)	0.00
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	206,535.20	219,953.77			(103,184.67)		103,350.53	109,836.81	(6,932.29)	0.00
GNMA	2002 RMRB	5.49	09/08/05	08/20/35	109,292.46	119,462.71			(510.78)		108,781.68	118,078.92	126.99	0.00
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	204,318.86	223,334.05			(899.87)		203,418.99	222,676.80	242.62	0.00
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	211,772.08	231,674.16			(918.62)		210,853.46	231,202.33	246.79	0.00
GNMA	2002 RMRB	5.49	09/01/05	09/20/35	124,733.32	136,340.43			(892.37)		123,840.95	135,563.71	115.65	0.00
GNMA	2002 RMRB	4.80	10/13/05	09/20/35	102,680.32	109,318.42			(502.50)		102,177.82	108,542.04	(273.88)	0.00
GNMA	2002 RMRB	5.49	10/13/05	10/20/35	116,796.25	127,880.67			(503.91)		116,292.34	127,523.24	136.48	0.00
GNMA	2002 RMRB	5.49	12/19/05	12/20/35	153,146.66	167,703.98			(937.33)		152,209.33	166,918.69	152.04	0.00
GNMA	2002 RMRB	5.49	11/17/05	11/20/35	207,512.44	227,231.07			(886.06)		206,626.38	226,588.15	243.14	0.00
GNMA	2002 RMRB	4.80	11/22/05	10/20/35	189,167.97	201,917.55			(1,008.96)		188,179.02	200,423.09	(485.51)	0.00
GNMA	2002 RMRB	4.80	12/22/05	12/20/35	120,021.39	128,093.04			(582.21)		119,439.18	127,206.49	(304.34)	0.00
GNMA	2002 RMRB	5.49	12/29/05	11/20/35	151,398.01	165,789.79			(641.08)		150,756.93	165,326.42	177.71	0.00
GNMA	2002 RMRB	5.49	01/12/06	01/20/36	275,998.46	301,736.36			(1,145.65)		274,852.81	301,135.79	545.08	0.00
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	193,803.08	148,288.31			(1,060.31)		132,742.77	145,443.79	215.79	0.00
GNMA	2002 RMRB	5.49	03/02/06	03/20/36	147,673.74	161,452.39			(610.75)		147,062.99	161,133.32	291.68	0.00
GNMA	2002 RMRB	5.49	02/23/06	02/20/36	244,410.49	267,212.40			(10,269.35)		234,141.14	256,540.12	(402.93)	0.00
GNMA	2002 RMRB	5.49	03/16/06	03/20/36	147,631.46	161,407.79			(773.41)		146,858.05	160,910.39	276.01	0.00
GNMA	2002 RMRB	5.49	03/30/06	03/20/36	236,144.02	257,737.49			(129,526.34)		106,617.68	116,620.88	(11,580.27)	0.00
GNMA	2002 RMRB	5.49	04/06/06	04/20/36	227,286.25	248,500.60			(1,086.33)		226,199.93	247,849.19	434.92	0.00
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	219,299.29	237,818.84			(1,161.08)		218,138.20	236,893.89	236.14	0.00
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	65,547.37	70,265.68			(382.47)		65,154.90	69,209.23	(663.98)	0.00
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	48,440.80	52,536.01			(243.65)		48,197.15	52,345.60	53.24	0.00
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	237,326.62	254,423.67			(2,213.82)		235,112.80	254,303.25	2,093.40	0.00
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	81,137.24	86,841.60			(782.65)		80,354.59	87,255.41	1,196.46	0.00
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	57,904.11	62,801.22			(328.38)		57,575.73	63,387.90	195.06	0.00
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	211,317.14	229,670.64			(1,015.71)		210,301.43	232,214.55	3,559.62	0.00
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	52,568.17	56,270.43			(334.32)		52,233.85	56,440.94	504.83	0.00
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	33,258.16	35,922.71			(152.75)		33,105.41	36,380.43	610.47	0.00
FNMA	2002 RMRB	5.49	11/03/05	10/01/35	117,513.32	126,934.78			(623.66)		116,889.66	128,694.63	2,383.51	0.00
FNMA	2002 RMRB	4.80	12/15/05	10/01/35	60,918.24	63,962.84			(433.66)		60,484.58	64,269.27	740.09	0.00
FNMA	2002 RMRB	5.49	04/27/06	03/01/36	132,219.21	142,337.77			(547.12)		131,672.09	144,387.28	2,596.64	0.00
Repo Agmt	2002 RMRB	0.20	11/30/10	12/01/10	33,349.39	33,349.39					6,116.79	6,116.78	-	0.00
	2002 RMRB Total				22,132,982.80	24,091,315.92	812,245.07	(30,708.47)	(808,037.38)	0.00	22,106,482.01	24,001,370.54	(63,444.58)	0.00
Repo Agmt	2009 AB RMRB	0.20	11/30/10	12/01/10	1,210,358.19	1,210,358.19					24.67	24.67	-	0.00
Repo Agmt	2009 AB RMRB	0.20	11/30/10	12/01/10	1,131,887.20	1,131,887.20	1,613,423.36	(1,210,333.52)			2,745,310.56	2,745,310.56	-	0.00
Repo Agmt	2009 AB RMRB	0.20	11/30/10	12/01/10	44.17	44.17	0.00				44.17	44.17	-	0.00
GNMA	2009 AB RMRB	8.18	08/01/90	06/20/20	142,788.38	162,479.67			(3,464.48)		139,323.90	160,628.32	1,613.13	0.00
GNMA	2009 AB RMRB	7.18	08/01/90	06/20/20	54,519.81	60,862.70			(1,780.83)		52,736.98	59,378.33	296.46	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	110,110.68	125,297.45			(2,953.90)		107,156.78	123,544.17	1,200.62	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	137,297.40	156,238.05			(8,418.05)		128,879.35	148,592.90	772.90	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	08/20/20	99,024.04	112,682.78			(3,495.33)		95,528.71	110,138.85	951.40	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	39,233.51	96,989.17			(2,082.69)		83,150.82	95,867.02	960.54	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	08/20/20	65,826.42	74,906.72			(1,064.66)		64,761.76	74,667.02	824.96	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	55,466.13	63,117.90			(1,051.82)		54,414.31	62,737.61	671.53	0.00
GNMA	2009 AB RMRB	7.18	11/01/90	09/20/20	70,722.31	78,953.45			(1,278.90)		69,443.41	78,188.87	514.32	0.00
GNMA	2009 AB RMRB				6,456.44	6,521.08			(6,456.44)				(64.64)	0.00
GNMA	2009 AB RMRB	8.75	12/28/89	09/20/18	682,307.22	784,604.81			(17,738.21)		674,569.01	773,412.28	6,545.68	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	10/20/18	75,644.57	85,729.96			(1,762.13)		73,882.44	84,708.84	741.01	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	09/20/18	46,192.29	54,617.05			(1,301.13)		46,891.16	53,761.85	445.93	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	11/20/18	166,962.57	189,225.85			(4,450.89)		162,511.68	186,328.14	1,553.18	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	12/20/18	15,189.33	15,310.25			(775.42)		14,413.91	14,519.82	(15.01)	0.00
GNMA	2009 AB RMRB	8.75	02/27/90	01/20/19	81,683.21	92,937.69			(2,816.51)		78,766.60	90,721.92	700.84	0.00
GNMA	2009 AB RMRB	8.75	05/29/90	04/20/19	106,196.39	120,833.47			(2,419.13)		103,777.26	119,533.93	1,119.59	0.00
GNMA	2009 AB RMRB	8.75	06/28/90	05/20/19	39,694.55	45,166.38			(811.14)		38,883.41	44,787.80	432.58	0.00
GNMA	2009 AB RMRB	7.18	02/01/91	11/20/20	82,484.01	92,087.20			(2,766.84)		79,717.17	89,759.47	439.11	0.00
GNMA	2009 AB RMRB	8.18	02/25/91	11/20/20	56,312.08	64,082.90			(1,007.68)		55,304.40	63,766.15	690.93	0.00
GNMA	2009 AB RMRB	7.18	05/02/91	02/20/21	56,469.45	63,296.62			(650.57)		55,818.88	62,780.74	434.69	0.00
GNMA	2009 AB RMRB	8.75	09/28/90	08/20/19	44,206.23	50,302.11			(7,721.51)		36,484.32	42,026.24	(553.96)	0.00
GNMA	2009 AB RMRB	8.75	10/23/90	09/20/19	33,043.34	37,600.42			(627.02)		32,416.32	37,340.83	367.43	0.00
GNMA	2009 AB RMRB	8.75	11/28/90	09/20/19	90,150.14	91,204.23			(1,145.48)		89,004.66	91,007.02	948.27	0.00
GNMA	2009 AB RMRB	8.75	12/21/90	09/20/19	42,415.78	48,265.52			(797.71)		41,618.07	47,940.69	472.68	0.00
GNMA	2009 AB RMRB	8.75	01/25/91	12/20/19	69,406.42	78,981.97			(875.92)		68,430.50	78,829.58	823.53	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	02/20/20	31,400.01	35,889.70			(1,425.91)		29,974.10	34,700.37	236.58	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	12/20/19	46,734.23	53,182.26			(829.99)		45,904.24	52,880.55	528.28	0.00
GNMA	2009 AB RMRB	8.18	05/02/91	03/20/21	126,760.53	145,782.17			(2,704.77)		124,055.76	144,926.15	1,848.75	0.00
GNMA	2009 AB RMRB	6.10	07/28/00	07/26/30	1,103,596.97	1,222,255.70			(92,404.22)		1,011,192.75	1,142,597.24	1,245.76	0.00
FNMA	2009 AB RMRB	6.10	04/28/00	04/01/30	113,458.66	125,271.97			(815.36)		112,643.30	124,839.18	382.57	0.00
GNMA	2009 AB RMRB	6.10	04/20/00	04/20/30	534,342.04	591,794.49			(5,967.27)		528,344.77	597,003.14	11,205.92	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2009 AB RM/RB	6.10	04/27/00	04/20/30	661,021.99	732,095.01			(6,179.32)		654,842.67	739,939.40	14,023.71	0.00
GNMA	2009 AB RM/RB	6.10	06/26/00	06/20/30	992,797.56	1,099,543.14			(53,686.42)		939,111.14	1,061,148.60	15,291.88	0.00
GNMA	2009 AB RM/RB	6.10	05/30/00	03/20/30	1,419,961.10	1,572,635.33			(12,676.50)		1,407,284.60	1,590,161.24	30,202.41	0.00
FNMA	2009 AB RM/RB	6.10	05/30/00	05/01/30	189,813.14	209,576.47			(7,752.06)		182,061.08	201,772.81	(51.60)	0.00
FNMA	2009 AB RM/RB	6.10	06/26/00	06/01/30	84,453.04	83,246.28			(1,146.72)		83,306.32	92,325.89	226.33	0.00
GNMA	2009 AB RM/RB	6.10	09/14/00	08/20/30	1,673,805.81	1,853,773.38			(94,960.17)		1,579,245.64	1,784,468.61	25,255.40	0.00
GNMA	2009 AB RM/RB	6.10	10/19/00	09/20/30	679,466.82	752,525.32			(7,868.43)		671,600.39	758,874.86	14,217.97	0.00
GNMA	2009 AB RM/RB	6.10	10/23/00	10/20/30	236,123.96	263,727.06			(1,645.56)		236,478.42	267,208.79	5,127.29	0.00
GNMA	2009 AB RM/RB	6.10	10/27/00	10/20/30	174,598.12	193,370.88			(1,216.46)		173,381.66	195,912.57	3,758.15	0.00
GNMA	2009 AB RM/RB	6.10	10/30/00	10/20/30	133,008.45	147,308.48			(809.14)		132,199.31	149,378.58	2,878.24	0.00
GNMA	2009 AB RM/RB	6.10	01/16/01	12/20/30	93,964.29	104,067.32			(1,159.45)		92,804.84	104,864.82	1,956.95	0.00
GNMA	2009 AB RM/RB	6.10	01/29/01	12/20/30	51,038.93	56,526.63			(472.23)		50,566.70	57,137.84	1,033.44	0.00
GNMA	2009 AB RM/RB	6.10	12/21/00	11/20/30	424,489.50	470,130.58			(3,726.97)		420,762.53	475,440.50	9,036.99	0.00
GNMA	2009 AB RM/RB	6.10	12/27/00	12/20/30	221,557.00	245,376.80			(2,309.51)		219,247.09	247,739.24	4,669.35	0.00
GNMA	2009 AB RM/RB	6.10	02/20/01	01/20/31	57,759.31	63,851.73			(420.46)		57,338.85	64,707.43	1,276.16	0.00
GNMA	2009 AB RM/RB	6.10	03/15/01	03/20/31	128,602.69	142,167.66			(753.94)		127,848.75	144,276.57	2,864.83	0.00
GNMA	2009 AB RM/RB	6.10	03/29/01	02/20/31	98,495.94	108,895.29			(692.54)		97,803.50	110,495.79	2,193.44	0.00
GNMA	2009 AB RM/RB	6.10	05/10/01	04/20/31	371,330.53	410,564.80			(2,568.08)		368,762.45	416,219.63	8,223.11	0.00
FNMA	2009 AB RM/RB	6.10	09/11/00	08/01/30	503,485.50	555,906.42			(4,858.06)		498,627.44	552,613.64	1,563.48	0.00
FNMA	2009 AB RM/RB	6.10	10/06/00	10/01/30	92,081.74	101,669.27			(739.53)		91,342.11	101,231.70	302.06	0.00
GNMA	2009 AB RM/RB	6.10	05/30/01	05/20/31	215,548.21	236,073.26			(1,433.09)		212,115.12	239,374.02	4,733.85	0.00
GNMA	2009 AB RM/RB	6.10	06/18/01	04/20/31	102,571.50	113,501.28			(1,285.76)		101,285.74	114,414.82	2,199.30	0.00
GNMA	2009 AB RM/RB	6.10	07/25/01	06/20/31	243,292.63	268,955.14			(2,337.89)		240,954.74	271,919.85	5,302.60	0.00
GNMA	2009 AB RM/RB	6.10	08/31/01	08/20/31	417,071.60	451,064.31			(2,470.91)		414,600.69	467,881.03	9,287.63	0.00
FNMA	2009 AB RM/RB	6.10	12/27/00	11/01/30	128,281.12	141,637.73			(1,534.46)		126,746.66	140,469.50	396.23	0.00
FNMA	2009 AB RM/RB	6.10	01/12/01	12/01/30	34,226.35	37,789.99			(1,151.30)		33,075.05	36,686.08	17.39	0.00
FNMA	2009 AB RM/RB	6.10	02/05/01	01/01/31	227,010.69	250,647.03			(1,998.84)		225,011.85	249,373.88	725.69	0.00
GNMA	2009 AB RM/RB	6.10	12/27/01	10/20/31	48,202.32	53,286.69			(656.18)		47,546.14	53,769.14	1,038.63	0.00
GNMA	2009 AB RM/RB	6.10	09/20/01	08/20/31	160,830.26	177,794.59			(935.30)		159,894.96	180,443.02	3,583.73	0.00
GNMA	2009 AB RM/RB	6.10	10/17/01	09/20/31	101,004.05	111,657.95			(581.18)		100,422.87	113,328.21	2,251.44	0.00
GNMA	2009 AB RM/RB	6.10	10/30/01	05/20/31	38,496.49	42,557.09			(311.77)		38,184.72	43,091.83	846.51	0.00
FNMA	2009 AB RM/RB	6.10	03/15/01	02/01/31	214,412.18	236,736.77			(2,117.74)		212,294.44	235,279.55	660.52	0.00
GNMA	2009 AB RM/RB	6.10	02/25/02	02/20/32	706,022.90	777,646.92			(4,661.61)		701,361.29	788,757.92	15,770.61	0.00
GNMA	2009 AB RM/RB	6.10	05/24/02	05/20/32	64,392.05	70,924.62			(495.84)		63,896.21	71,858.31	1,429.53	0.00
GNMA	2009 AB RM/RB	6.10	03/21/02	03/20/32	164,637.22	181,339.69			(1,001.54)		163,635.68	184,026.35	3,698.20	0.00
GNMA	2009 AB RM/RB	6.10	04/17/02	03/20/32	450,513.72	496,216.27			(2,763.17)		447,750.55	503,544.67	10,089.57	0.00
GNMA	2009 AB RM/RB	6.10	04/29/02	04/20/32	378,840.76	417,274.13			(2,251.14)		376,589.62	423,516.44	8,493.45	0.00
GNMA	2009 AB RM/RB	6.10	06/03/02	05/20/32	218,998.00	241,215.34			(1,526.03)		217,471.97	244,571.15	4,861.84	0.00
GNMA	2009 AB RM/RB	6.10	06/19/02	04/20/32	198,052.53	218,144.95			(1,035.53)		197,017.00	221,567.28	4,457.86	0.00
GNMA	2009 AB RM/RB	6.10	06/28/02	06/20/32	56,935.77	62,711.90			(297.07)		56,638.70	63,696.44	1,281.61	0.00
GNMA	2009 AB RM/RB	6.10	01/30/03	01/20/33	101,061.34	110,944.12			(497.07)		100,564.27	112,734.55	2,287.50	0.00
FNMA	2009 AB RM/RB	6.10	10/17/01	09/01/31	73,031.75	80,599.29			(521.55)		72,510.20	80,360.87	283.13	0.00
FNMA	2009 AB RM/RB	6.10	01/28/02	11/01/31	190,723.47	210,486.23			(1,103.56)		189,619.91	210,150.05	767.38	0.00
FNMA	2009 AB RM/RB	6.10	04/17/02	02/01/32	32,957.95	36,364.81			(175.85)		32,782.30	36,331.63	142.47	0.00
GNMA	2009 AB RM/RB	5.75	10/29/09	09/20/39	214,514.32	235,254.74			(664.49)		213,849.83	236,265.95	1,675.70	0.00
GNMA	2009 AB RM/RB	5.75	11/24/09	11/20/39	1,362,647.98	1,494,435.60			(4,966.46)		1,357,681.52	1,500,037.10	10,567.96	0.00
GNMA	2009 AB RM/RB	5.75	11/24/09	09/20/39	134,181.45	147,156.58			(398.89)		133,782.56	147,809.62	1,049.93	0.00
GNMA	2009 AB RM/RB	5.75	05/25/10	04/20/40	635,981.60	697,673.47			(1,828.94)		634,152.66	700,879.08	5,034.55	0.00
GNMA	2009 AB RM/RB	5.75	05/25/10	04/20/40	391,662.69	426,655.21			(1,584.93)		390,077.96	431,122.50	3,052.22	0.00
GNMA	2009 AB RM/RB	5.75	12/17/09	11/20/39	1,814,312.07	1,989,826.31			(120,896.47)		1,693,415.60	1,871,013.24	2,083.40	0.00
GNMA	2009 AB RM/RB	5.75	12/17/09	10/20/39	134,047.02	147,014.56			(395.50)		133,651.22	147,667.79	1,045.03	0.00
GNMA	2009 AB RM/RB	5.75	12/29/09	12/20/39	2,460,783.34	2,698,871.83			(7,293.26)		2,453,490.08	2,710,836.45	19,257.88	0.00
GNMA	2009 AB RM/RB	5.75	12/29/09	12/20/39	705,945.26	774,247.68			(125,775.99)		580,169.27	641,023.17	(7,448.52)	0.00
GNMA	2009 AB RM/RB	5.75	12/29/09	11/20/39	267,274.15	293,133.46			(1,011.88)		266,262.27	294,190.21	2,068.63	0.00
GNMA	2009 AB RM/RB	5.75	01/20/10	12/20/39	1,584,789.89	1,736,160.15			(4,873.85)		1,579,916.04	1,745,668.57	12,382.27	0.00
GNMA	2009 AB RM/RB	5.75	01/27/10	12/20/39	205,823.02	225,743.21			(601.67)		205,221.35	228,753.19	1,611.65	0.00
GNMA	2009 AB RM/RB	5.75	01/20/10	12/20/39	236,942.51	262,066.51			(698.62)		236,243.89	263,238.58	1,870.69	0.00
GNMA	2009 AB RM/RB	5.75	01/27/10	01/20/40	3,046,763.26	3,341,918.81			(153,313.96)		2,893,449.30	3,197,530.44	8,925.59	0.00
GNMA	2009 AB RM/RB	5.75	01/27/10	12/20/39	316,586.51	349,420.29			(111,096.07)		207,490.44	229,260.35	(9,063.87)	0.00
GNMA	2009 AB RM/RB	5.75	02/17/10	01/20/40	2,032,137.21	2,229,045.78			(149,675.03)		1,882,462.18	2,080,337.74	966.98	0.00
GNMA	2009 AB RM/RB	5.75	02/17/10	12/20/39	1,325,864.47	1,454,216.56			(145,554.83)		1,180,309.54	1,304,174.06	(4,487.57)	0.00
GNMA	2009 AB RM/RB	5.75	02/17/10	12/20/39	180,430.92	197,897.77			(526.02)		179,904.90	198,784.55	1,412.80	0.00
GNMA	2009 AB RM/RB	5.75	02/23/10	02/20/40	2,051,415.77	2,250,206.04			(6,815.11)		2,044,600.66	2,259,533.14	16,142.21	0.00
GNMA	2009 AB RM/RB	5.75	02/23/10	01/20/40	479,320.22	525,768.24			(1,438.62)		477,881.60	528,117.46	3,767.84	0.00
GNMA	2009 AB RM/RB	5.75	03/16/10	02/20/40	1,951,618.28	2,140,783.22			(5,856.49)		1,945,761.79	2,150,349.79	15,423.06	0.00
GNMA	2009 AB RM/RB	5.75	03/16/10	02/20/40	200,465.06	219,895.58			(583.63)		199,881.43	220,898.06	1,586.11	0.00
GNMA	2009 AB RM/RB	5.75	03/16/10	12/20/39	123,931.06	135,931.94			(361.20)		123,569.76	136,541.04	970.40	0.00
GNMA	2009 AB RM/RB	5.75	03/30/10	01/20/40	959,394.46	1,052,389.74			(2,796.47)		956,597.99	1,057,192.75	7,589.48	0.00
GNMA	2009 AB RM/RB	5.75	03/30/10	02/20/40	414,272.16	454,432.37			(1,199.27)		413,072.89	456,511.62	3,278.52	0.00
GNMA	2009 AB RM/RB	5.75	03/30/10	12/20/39	106,319.39	116,616.39			(310.10)		106,009.29	117,138.90	832.61	0.00
GNMA	2009 AB RM/RB	5.75	04/22/10	03/20/40	761,158.90	834,966.30			(2,210.65)		758,948.25	838,776.73	6,023.08	0.00
GNMA	2009 AB RM/RB	5.75	04/22/10	04/20/40	334,108.70	366,506.26			(955.58)		333,153.12	368,196.05	2,645.37	0.00
GNMA	2009 AB RM/RB	5.75	06/15/10	04/20/40	390,905.72	428,833.26			(1,112.04)		389,793.68	430,817		



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2009 AB RMRB	5.75	07/28/10	07/20/40	865,237.16	949,227.86			(2,575.76)		862,661.40	953,492.56	6,840.46	0.00
GNMA	2009 AB RMRB	5.75	07/28/10	06/20/40	301,992.25	331,307.39			(1,114.61)		300,877.64	332,557.59	2,364.81	0.00
GNMA	2009 AB RMRB	5.75	07/28/10	07/20/40	2,573,728.52	2,823,566.71			(8,364.14)		2,565,364.38	2,835,476.14	20,273.57	0.00
GNMA	2009 AB RMRB	5.75	08/17/10	08/20/40	4,421,777.50	4,851,103.54			(15,268.95)		4,406,508.55	4,870,576.11	34,741.52	0.00
GNMA	2009 AB RMRB	5.75	08/17/10	06/20/40	366,963.34	402,593.11			(1,146.50)		365,816.74	404,341.99	2,895.48	0.00
GNMA	2009 AB RMRB	5.75	08/17/10	05/20/40	58,104.05	63,745.58			(686.65)		57,417.40	63,464.21	405.28	0.00
GNMA	2009 AB RMRB	5.75	08/17/10	05/20/40	72,867.69	79,942.67			(205.92)		72,661.77	80,314.01	577.26	0.00
GNMA	2009 AB RMRB	5.75	08/24/10	08/20/40	3,470,133.80	3,807,088.32			(10,022.21)		3,460,111.59	3,824,533.36	27,467.25	0.00
GNMA	2009 AB RMRB	5.75	09/14/10	08/20/40			4,338,376.94				4,338,376.94	4,795,400.13	457,023.18	0.00
GNMA	2009 AB RMRB	5.75	09/14/10	05/20/40			99,678.45				99,678.45	110,178.90	10,500.45	0.00
GNMA	2009 AB RMRB	5.75	06/22/10	04/20/40	131,233.05	143,966.93			(373.09)		130,859.96	144,633.18	1,039.34	0.00
GNMA	2009 AB RMRB	5.75	06/22/10	06/20/40	1,747,293.69	1,916,639.99			(118,193.40)		1,629,100.29	1,800,567.45	1,920.96	0.00
GNMA	2009 AB RMRB	5.75	06/22/10	05/20/40	706,590.50	775,152.77			(2,032.71)		704,557.79	778,713.59	5,993.03	0.00
GNMA	2009 AB RMRB	5.75	06/22/10	05/20/40	229,869.39	252,196.14			(659.49)		229,209.91	253,356.70	1,820.04	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	04/20/40	81,418.18	89,319.03			(231.49)		81,186.70	89,732.37	644.82	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	06/20/40	1,740,196.63	1,909,065.86			(6,000.46)		1,734,196.17	1,916,738.53	13,673.13	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	06/20/40	685,078.51	751,558.73			(1,963.99)		683,114.52	755,019.49	5,424.75	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	06/20/40	184,173.72	202,045.99			(546.65)		183,627.07	202,955.74	1,456.40	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	05/20/40	168,619.79	184,982.70			(523.42)		168,096.37	185,790.09	1,330.81	0.00
GNMA	2009 AB RMRB	5.75	06/23/10	06/20/40	622,041.78	682,404.92			(1,778.44)		620,263.34	685,552.58	4,926.10	0.00
GNMA	2009 AB RMRB	5.75	07/20/10	06/20/40	1,468,180.97	1,610,987.89			(4,061.40)		1,464,119.57	1,618,266.24	11,638.75	0.00
GNMA	2009 AB RMRB	5.75	09/21/10	09/20/40			2,543,879.72				2,543,879.72	2,811,882.80	268,003.08	0.00
GNMA	2009 AB RMRB	5.75	09/21/10	09/20/40			1,462,264.76				1,462,264.76	1,616,317.42	154,052.66	0.00
GNMA	2009 AB RMRB	5.75	09/29/10	07/20/40			77,223.32				77,223.32	85,359.57	8,136.25	0.00
GNMA	2009 AB RMRB	5.75	09/29/10	09/20/40			1,249,662.93				1,249,662.93	1,381,327.32	131,664.39	0.00
FNMA	2009 AB RMRB	5.75	08/17/10	05/01/40	65,624.51	71,028.60			(188.58)		65,435.93	71,965.47	1,125.85	0.00
Repo Agmt	2009 AB RMRB	0.20	11/30/10	12/01/10	29,360,620.44	29,360,620.44		(29,357,250.45)			3,369.99	3,369.99	-	0.00
Repo Agmt	2009 AB RMRB	0.20	11/30/10	12/01/10	38,114.98	38,114.98		(24,757.07)			13,357.91	13,357.91	-	0.00
	2009 AB RMRB Total				95,315,103.18	101,707,361.37	11,384,509.48	(30,592,341.04)	(1,458,346.31)	0.00	74,648,925.31	82,620,067.34	1,578,883.84	0.00
Mutual Fund	2009C RMRB	0.01	11/01/10	12/01/10	272,432.64	272,432.64	125,588.20				398,020.84	398,020.84	-	0.00
Mutual Fund	2009C RMRB	0.01	11/01/10	12/01/10	300,000,000.00	300,000,000.00	0.00				300,000,000.00	300,000,000.00	-	0.00
Repo Agmt	2009C RMRB				42,335.54	42,335.54		(42,335.54)			-	-	-	0.00
	2009C RMRB Total				300,314,768.18	300,314,768.18	125,588.20	(42,335.54)	0.00	0.00	300,398,020.84	300,398,020.84	0.00	0.00
Repo Agmt	1999 B-D RMRB	0.20	11/30/10	12/01/10	191.47	191.47	1,374.78				1,566.25	1,566.25	-	0.00
Repo Agmt	1999 B-D RMRB	0.20	11/30/10	12/01/10	1,982,979.99	1,982,979.99	573,026.00				2,556,005.99	2,556,005.99	-	0.00
	1999 B-D RMRB Total				1,983,171.46	1,983,171.46	574,400.78	0.00	0.00	0.00	2,557,572.24	2,557,572.24	0.00	0.00
Repo Agmt	2000 A RMRB	0.20	11/30/10	12/01/10	29,675.52	29,675.52		(29,675.39)			0.13	0.13	-	0.00
Repo Agmt	2000 A RMRB	0.20	11/30/10	12/01/10	12.55	12.55	0.13				12.68	12.68	-	0.00
Repo Agmt	2000 A RMRB	0.20	11/30/10	12/01/10	1,965,169.60	1,965,169.60		(1,940,744.06)			24,425.54	24,425.54	-	0.00
Repo Agmt	2000 A RMRB	0.20	11/30/10	12/01/10	401.93	401.93	0.00				401.93	401.93	-	0.00
	2000 A RMRB Total				1,995,259.60	1,995,259.60	0.13	(1,970,419.45)	0.00	0.00	24,840.28	24,840.28	0.00	0.00
Repo Agmt	2003A RMRB	0.20	11/30/10	12/01/10	809,083.54	809,083.54	994,357.55				1,803,441.09	1,803,441.09	-	0.00
Repo Agmt	2003A RMRB	0.20	11/30/10	12/01/10	366,768.04	366,768.04	182.01				366,950.05	366,950.05	-	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	7,404,684.73	7,944,085.33			(255,169.72)		7,149,515.01	7,647,945.02	(40,970.59)	0.00
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,573,131.75	1,687,732.96			(9,887.94)		1,563,243.81	1,672,230.76	(5,614.26)	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	762,735.79	818,377.09			(5,530.73)		757,205.06	810,072.94	(2,773.42)	0.00
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	156,916.98	171,903.98			(775.83)		156,141.15	171,312.30	184.15	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	111,528.15	120,115.93			(602.28)		110,925.87	119,117.82	(395.83)	0.00
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,127,142.40	1,213,835.68			(7,961.30)		1,119,181.10	1,201,735.32	(4,139.06)	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	913,947.45	984,247.96			(5,132.08)		908,815.37	975,857.29	(3,256.59)	0.00
GNMA	2003A RMRB				58,829.35	64,443.54			(58,829.35)		-	-	(5,614.19)	0.00
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	899,305.62	957,714.56			(5,223.74)		894,081.88	949,303.08	(3,187.74)	0.00
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	991,995.83	1,064,290.76			(5,776.72)		986,219.11	1,055,005.46	(3,508.58)	0.00
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	56,294.53	61,687.38			(271.87)		56,022.66	61,462.22	66.71	0.00
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	503,051.84	539,719.39			(2,814.55)		500,237.29	535,133.57	(1,771.27)	0.00
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	398,645.99	427,705.53			(2,833.48)		395,812.51	423,426.29	(1,445.76)	0.00
GNMA	2003A RMRB	5.49	05/01/04	04/20/34	31,836.62	34,875.24			(666.08)		31,170.54	34,197.13	(12.03)	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	826,652.80	886,916.64			(4,881.34)		821,771.46	879,106.64	(2,928.66)	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	492,129.39	528,008.80			(2,750.70)		489,378.69	523,525.42	(1,732.68)	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	835,054.98	895,944.83			(4,608.00)		830,446.98	888,400.83	(2,936.00)	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	405,518.51	435,089.99			(2,258.00)		403,259.51	431,403.71	(1,427.28)	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	984,129.88	1,055,900.51			(5,432.69)		978,697.19	1,047,007.46	(3,460.36)	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,180,472.45	1,266,568.31			(6,655.21)		1,173,817.24	1,255,752.64	(4,160.46)	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	597,953.62	655,057.01			(2,865.14)		595,088.48	652,902.48	710.61	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	124,563.88	133,656.97			(685.82)		123,878.06	132,533.21	(437.94)	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	73,459.15	80,480.12			(588.67)		72,870.48	79,955.72	64.27	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	144,565.50	155,120.26			(789.18)		143,776.32	153,823.28	(507.80)	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	158,988.09	174								

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	09/29/04	08/20/34	415,716.85	446,075.18			(2,261.34)		413,455.51	442,354.11	(1,458.73)	0.00
GNMA	2003A RMRB	5.49	09/29/04	08/20/34	188,980.81	206,688.87			(1,002.08)		187,978.73	205,906.74	218.95	0.00
GNMA	2003A RMRB	5.49	10/07/04	08/20/34	128,633.63	140,930.82			(592.28)		128,041.34	140,483.70	155.17	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	304,960.66	327,234.47			(2,124.50)		302,835.76	324,006.14	(1,103.43)	0.00
GNMA	2003A RMRB				48,829.55	54,589.00			(49,829.55)				(4,759.45)	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	204,929.33	219,879.96			(1,107.95)		203,821.38	218,053.24	(718.77)	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	58,725.86	64,335.69			(273.82)		58,451.94	64,132.28	70.51	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	326,633.43	350,464.76			(1,799.25)		324,834.18	347,517.19	(1,148.32)	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	415,831.61	447,857.85			(2,289.96)		413,541.65	444,088.26	(1,479.63)	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	197,422.01	216,281.97			(945.53)		196,476.08	215,570.64	234.60	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	217,123.48	233,348.34			(1,791.63)		215,331.85	231,240.09	(816.62)	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	102,306.92	112,080.99			(509.69)		101,797.23	111,690.97	119.67	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	351,938.17	379,049.62			(2,729.67)		349,208.50	375,008.13	(1,310.82)	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	80,346.36	88,022.83			(407.57)		79,938.39	87,708.06	83.23	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	356,460.07	383,921.79			(2,301.63)		354,158.44	380,326.70	(1,283.46)	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	196,096.31	214,834.17			(1,379.69)		194,716.62	213,644.71	190.23	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	130,728.35	140,282.19			(697.28)		130,031.07	139,126.64	(458.27)	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	130,910.47	140,478.03			(726.25)		130,184.22	139,282.05	(460.73)	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	107,948.14	118,275.70			(58,825.10)		49,123.04	53,903.97	(5,546.63)	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	272,393.91	292,306.78			(2,090.81)		270,303.10	289,216.70	(999.27)	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	314,893.65	337,692.61			(2,133.64)		312,760.01	334,623.83	(1,135.14)	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	38,226.19	41,680.77			(196.09)		38,030.10	41,728.83	44.15	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	173,655.14	190,259.39			(693.62)		172,961.52	189,599.00	203.23	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	133,247.33	143,520.82			(705.17)		132,542.16	142,343.55	(472.10)	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	235,059.00	252,231.13			(1,250.57)		233,808.43	250,157.08	(822.48)	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	50,445.70	55,269.41			(249.27)		50,196.43	55,079.33	59.19	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	421,129.92	460,610.00			(55,251.15)		365,878.77	400,788.13	(4,570.72)	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	175,679.21	188,726.92			(931.10)		174,748.11	187,182.00	(615.82)	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	107,785.87	116,097.68			(603.18)		107,182.49	115,110.17	(384.33)	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	100,375.51	109,975.81			(490.46)		99,885.03	109,603.64	118.31	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	224,639.27	241,964.05			(1,194.56)		223,444.71	239,972.86	(796.63)	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	250,440.91	274,395.14			(1,171.70)		249,269.21	273,523.70	300.26	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	44,630.80	47,691.67			(312.45)		44,318.35	47,417.62	(181.60)	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	254,016.57	278,321.50			(1,286.05)		252,730.52	277,330.47	295.02	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	145,906.57	156,574.38			(885.88)		145,020.69	155,169.83	(516.87)	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	160,874.95	172,443.73			(1,520.32)		159,354.63	170,400.02	(523.39)	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	208,694.62	228,462.68			(997.91)		207,696.71	227,699.18	234.41	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	99,727.28	107,299.35			(708.00)		99,019.28	106,279.39	(311.96)	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	620,051.51	664,609.64			(3,302.86)		616,748.65	659,467.59	(1,839.19)	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	50,917.21	55,644.56			(249.57)		50,667.64	55,453.09	58.10	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	587,098.16	631,685.40			(3,374.64)		583,723.52	626,532.32	(1,778.44)	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	98,551.74	107,891.69			(462.85)		98,088.89	107,540.33	111.49	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	25,856.71	27,821.10			(134.38)		25,722.33	27,609.43	(77.29)	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	60,081.08	65,775.76			(384.57)		59,696.51	65,449.23	58.09	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	144,764.32	156,488.73			(779.55)		143,984.77	157,863.32	154.14	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	211,152.04	231,172.90			(979.61)		210,172.43	230,433.29	240.00	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	58,097.52	62,513.91			(299.19)		57,798.33	62,041.18	(173.54)	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	103,638.86	113,466.19			(455.03)		103,183.83	113,131.44	120.28	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	139,308.28	152,520.19			(110,257.76)		29,050.52	31,851.67	(10,410.76)	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,026,694.32	1,100,587.34			(6,184.65)		1,020,510.27	1,091,306.82	(2,085.87)	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	464,646.49	508,738.94			(107,375.20)		357,271.29	391,740.32	(9,623.42)	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	337,985.98	369,420.28			(1,470.85)		336,515.33	368,352.73	403.10	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	118,537.04	127,551.05			(609.19)		117,927.85	126,587.96	(353.87)	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	306,239.21	335,286.12			(1,424.40)		304,814.81	334,209.42	347.70	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	266,174.55	291,424.25			(1,413.85)		264,760.70	290,295.64	285.24	0.00
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	263,856.43	288,888.85			(1,155.94)		262,700.49	288,039.35	306.44	0.00
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	169,301.89	185,044.04			(752.31)		168,549.58	184,492.17	200.44	0.00
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	260,790.57	285,564.29			(1,177.61)		259,612.96	284,676.11	299.43	0.00
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	229,873.04	251,702.18			(983.18)		228,889.86	250,988.21	269.21	0.00
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	127,414.03	139,514.22			(558.03)		126,856.00	139,104.14	147.95	0.00
GNMA	2003A RMRB	4.49	07/26/05	07/20/35	81,016.30	87,182.45			(690.01)		80,326.29	86,230.43	147.01	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	321,885.32	352,434.39			(1,994.43)		319,890.89	350,757.38	317.42	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	146,726.52	160,652.66			(643.38)		146,083.14	160,179.61	170.33	0.00
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	251,325.52	275,180.76			(59,549.19)		191,776.33	210,283.06	(5,348.49)	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	158,145.81	170,968.54			(688.70)		155,457.11	170,460.70	160.86	0.00
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	292,686.77	320,471.17			(1,277.93)		291,408.84	319,533.52	340.28	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	500,095.60	547,576.73			(3,200.87)		496,894.63	544,858.96	483.20	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	76,369.18	83,619.99			(381.17)		75,988.01	83,323.00	84.18	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	249,568.60	273,278.02			(1,095.21)		248,473.29	272,472.27	289.56	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	455,130.95	498,356.55			(1,975.23)		453,155.72	496,911.57	530.25	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	279,739.33	299,738.96			(124,337.37)		149,401.96	163,828.76	(11,572.83)	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	306,692.78	338,015.35			(1,316.16)		307,376.62	337,061.43	362.24	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	218,931.42	237,539.06			(945.61)		215,985.81	236,845.77	252.32	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	199,117.26	218,032.62			(1,167.32)		197,949.94	217,067.99	202.69	0.00
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	144,947.46									

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
GNMA	2003A RMRB	5.48	11/03/05	09/20/35	194,143.67	212,587.85			(832.06)		193,311.61	211,982.76	226.97	0.00
GNMA	2003A RMRB	5.48	11/03/05	10/20/35	199,236.01	218,164.86			(843.00)		198,393.01	217,556.05	224.19	0.00
GNMA	2003A RMRB	5.48	11/10/05	11/20/35	152,520.34	167,012.55			(844.64)		151,675.70	166,547.25	179.34	0.00
GNMA	2003A RMRB	5.48	11/17/05	07/20/35	115,210.45	126,155.89			(495.79)		114,714.66	125,794.59	134.49	0.00
GNMA	2003A RMRB	5.48	11/17/05	10/20/35	151,734.56	166,152.27			(889.52)		151,045.04	165,636.34	173.59	0.00
GNMA	2003A RMRB	5.48	11/22/05	11/20/35	110,195.79	120,687.49			(482.05)		109,713.74	120,313.43	127.99	0.00
GNMA	2003A RMRB	5.48	12/28/05	12/20/35	326,520.58	356,941.80			(1,414.84)		325,105.74	355,916.79	389.83	0.00
GNMA	2003A RMRB	5.48	01/12/06	01/20/36	202,101.44	220,948.18			(1,187.33)		200,914.11	220,126.67	385.82	0.00
GNMA	2003A RMRB	5.48	01/12/06	12/20/35	74,922.31	82,045.51			(312.14)		74,610.17	81,821.89	88.52	0.00
GNMA	2003A RMRB	5.48	03/09/06	02/20/36	300,624.54	328,107.66			(1,295.89)		299,328.65	327,406.03	594.26	0.00
GNMA	2003A RMRB	5.48	03/09/06	02/20/36	103,948.83	113,647.85			(438.59)		102,512.24	113,415.94	204.68	0.00
GNMA	2003A RMRB	5.48	02/09/06	01/20/36	67,266.66	73,541.16			(279.11)		66,987.55	73,394.78	132.71	0.00
GNMA	2003A RMRB	5.48	02/23/06	01/20/36	88,700.77	96,975.59			(367.19)		88,333.64	96,783.64	175.18	0.00
GNMA	2003A RMRB	5.48	03/09/06	02/20/36	346,486.08	378,815.20			(1,447.16)		345,038.92	376,051.06	683.02	0.00
GNMA	2003A RMRB	5.48	03/30/06	03/20/36	210,689.70	230,352.90			(860.75)		209,829.95	229,909.30	417.15	0.00
GNMA	2003A RMRB	5.48	04/27/06	03/20/36	133,054.14	145,474.86			(561.47)		132,492.67	145,175.12	261.73	0.00
GNMA	2003A RMRB	4.48	04/27/06	03/20/36	114,193.75	122,270.95			(546.29)		113,647.46	121,210.84	(513.82)	0.00
FNMA	2003A RMRB	4.48	03/25/04	02/01/34	187,160.43	198,598.64			(1,053.87)		186,106.56	200,274.42	2,329.65	0.00
FNMA	2003A RMRB	4.48	07/28/04	07/01/34	288,429.69	306,890.90			(1,508.78)		286,920.91	308,639.03	3,556.91	0.00
FNMA	2003A RMRB	4.48	08/26/04	08/01/34	97,793.03	103,865.90			(696.44)		97,096.59	104,536.49	1,247.03	0.00
FNMA	2003A RMRB	5.48	09/23/04	08/01/34	180,156.31	205,844.21			(916.41)		189,239.90	208,111.20	3,183.40	0.00
FNMA	2003A RMRB	4.48	09/29/04	09/01/34	307,093.12	326,544.80			(1,670.24)		305,422.88	328,594.42	3,719.86	0.00
FNMA	2003A RMRB	4.48	11/10/04	10/01/34	152,855.50	162,327.84			(841.59)		151,813.91	163,352.66	1,086.41	0.00
FNMA	2003A RMRB	5.48	03/29/05	01/20/35	212,612.14	225,562.92			(1,441.11)		211,171.03	227,164.55	3,042.74	0.00
FNMA	2003A RMRB	5.48	08/23/05	06/01/35	333,556.96	360,278.63			(1,515.14)		332,041.72	364,681.12	5,917.63	0.00
FNMA	2003A RMRB	5.48	03/18/05	06/01/35	289,576.13	312,888.83			(2,666.18)		287,009.95	315,998.41	5,775.76	0.00
FNMA	2003A RMRB	5.48	09/08/05	08/01/35	104,318.85	112,679.40			(455.61)		103,863.04	114,011.81	1,788.02	0.00
FNMA	2003A RMRB	5.48	10/06/05	10/01/35	147,428.93	159,247.22			(1,483.86)		145,945.07	160,688.90	2,935.54	0.00
FNMA	2003A RMRB	5.48	10/20/05	10/01/35	173,789.71	187,722.09			(1,146.80)		172,642.91	190,065.42	3,490.13	0.00
FNMA	2003A RMRB	5.48	12/29/05	12/01/35	244,225.70	263,612.73			(1,045.15)		243,180.55	266,840.84	4,073.26	0.00
FNMA	2003A RMRB	4.48	01/12/06	12/01/35	69,945.37	74,215.47			(343.72)		69,601.65	74,733.87	862.12	0.00
FNMA	2003A RMRB	5.48	02/02/06	01/01/36	108,082.65	116,348.97			(677.64)		107,405.01	117,840.60	2,168.27	0.00
Repo Agmt	2003A RMRB	0.20	11/30/10	12/01/10	60,733.17	60,733.17		(56,591.89)			4,141.28	4,141.28	-	0.00
	<b>2003A RMRB Total</b>				<b>45,684,738.89</b>	<b>49,235,663.38</b>	<b>994,539.56</b>	<b>(56,591.89)</b>	<b>(1,078,927.21)</b>	<b>0.00</b>	<b>45,543,759.35</b>	<b>48,984,155.57</b>	<b>(110,528.27)</b>	<b>0.00</b>
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	216,096.72	239,305.87			(10,931.39)		205,165.33	228,945.08	570.60	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	375,546.05	415,892.42			(10,392.78)		365,153.27	407,488.34	1,988.70	0.00
GNMA	1999 A RMRB	3.75	10/31/89	09/20/18	23,979.99	24,291.15			(521.37)		23,458.62	23,757.28	(12.49)	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	415,268.72	463,662.30			(31,840.91)		383,427.81	431,758.36	(63.03)	0.00
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	28,022.20	29,101.03			(1,384.74)		26,637.46	27,686.35	(29.94)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	191,172.52	211,717.03			(5,918.97)		185,253.55	206,737.39	939.33	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	96,200.84	109,028.54			(1,910.35)		94,290.49	108,108.99	990.80	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	133,877.75	148,266.55			(3,143.99)		130,733.76	145,896.44	773.88	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	26,458.30	26,631.68			(692.00)		25,866.30	26,034.16	(5.52)	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	43,401.97	49,383.27			(2,253.38)		41,148.59	47,395.41	265.52	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	164,690.28	183,280.57			(3,877.33)		160,712.96	180,303.06	989.84	0.00
GNMA	1999 A RMRB				15,018.18	17,087.48			(15,018.18)				(2,069.30)	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	145,949.75	162,428.46			(3,632.20)		142,317.55	159,669.17	872.91	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	100,215.82	114,026.88			(3,198.26)		97,017.56	111,746.21	917.59	0.00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	276,947.90	308,221.62			(6,855.91)		270,091.99	303,026.46	1,660.75	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	12,734.21	12,829.58			(510.89)		12,223.32	12,314.07	(4.62)	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	28,319.22	31,518.80			(548.88)		27,766.34	31,157.14	188.22	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	20,305.35	22,598.89			(397.99)		19,907.36	22,336.38	134.48	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	14,700.55	16,362.46			(293.53)		14,407.02	16,165.84	96.71	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	93,989.17	107,427.48			(3,453.39)		90,535.78	104,810.69	836.60	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	20,735.08	22,526.18			(139.37)		20,595.71	22,410.82	24.01	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	134,245.12	145,908.99			(1,664.14)		132,580.98	144,229.54	84.69	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	136,593.46	147,265.50			(1,503.67)		135,089.79	145,602.47	(159.36)	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	55,452.43	59,768.29			(607.79)		54,844.64	59,112.64	(47.86)	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	36,543.76	39,679.57			(220.52)		36,323.24	39,503.33	44.28	0.00
Repo Agmt	1999 A RMRB	0.20	11/30/10	12/01/10	16,199.23	16,199.23	0.00				16,199.23	16,199.23	-	0.00
	<b>1999 A RMRB Total</b>				<b>2,822,664.58</b>	<b>3,124,310.82</b>	<b>0.00</b>	<b>0.00</b>	<b>(10,912.93)</b>	<b>0.00</b>	<b>2,711,751.65</b>	<b>3,022,394.68</b>	<b>8,996.79</b>	<b>0.00</b>
<b>Total Residential Mortgage Revenue Bonds Investment Summary</b>					<b>554,745,168.30</b>	<b>573,723,385.05</b>	<b>16,470,654.57</b>	<b>(33,545,746.39)</b>	<b>(6,103,193.66)</b>	<b>0.00</b>	<b>531,566,882.82</b>	<b>551,886,245.98</b>	<b>1,341,146.41</b>	<b>0.00</b>

Texas Department of Housing and Community Affairs  
Collateralized Home Mortgage Revenue Bonds Investment Summary  
For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales (138,715.08)	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	1992 A-C CHMRB	0.20	11/30/10	12/01/10	184,135.65	184,135.65					45,420.57	45,420.57	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	112,442.21	112,442.21	396,663.66				509,105.87	509,105.87	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	26,309.31	29,686.56					25,978.35	29,509.09	153.49	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	46,922.78	52,942.75			(330.96)		46,235.07	52,515.54	260.50	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	160,003.17	180,909.31			(3,627.27)		156,375.90	177,972.43	691.39	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	803,516.89	910,023.64			(17,113.75)		786,403.14	896,686.96	3,776.57	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	437,635.68	495,648.54			(7,319.45)		430,316.23	490,686.97	2,337.78	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	116,773.60	132,253.10			(2,462.71)		114,310.89	130,342.69	552.30	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	446,667.04	505,885.20			(10,754.56)		435,912.48	497,055.93	1,925.29	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	491,114.72	556,939.73			(6,520.67)		484,594.05	553,372.47	2,953.41	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	109,769.59	123,744.88			(20,844.95)		88,924.64	100,182.47	(2,717.46)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	142,847.90	161,289.64			(3,022.22)		139,825.68	157,790.35	(477.07)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	92,761.42	104,741.51			(3,517.05)		89,244.37	100,714.67	(509.59)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	288,654.70	325,948.04			(4,668.80)		283,985.90	320,466.27	(762.97)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	70,454.78	79,558.57			(1,055.06)		69,399.72	78,324.12	(179.39)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	10,043.37	11,341.30			(695.46)		9,447.91	10,663.05	(62.79)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	193,073.29	218,033.08			(3,740.70)		189,332.59	215,691.73	(600.65)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	34,958.49	39,473.92			(430.62)		34,527.87	38,966.25	(77.05)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	404,081.61	457,657.35			(60,776.20)		343,305.41	388,642.85	(8,238.30)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	320,354.03	362,833.10			(5,913.14)		314,440.89	355,970.83	(949.13)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	286,848.01	324,888.02			(3,716.31)		283,131.70	320,530.64	(641.07)	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	37,505.74	37,505.74	0.00				37,505.74	37,505.74	-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	94,679.67	106,825.98			(2,384.89)		92,294.78	104,831.26	390.17	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	477,620.42	539,283.65			(7,636.77)		469,983.65	530,143.63	(1,303.25)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,353,889.90	1,533,302.14			(66,186.95)		1,287,702.95	1,457,667.02	(9,448.17)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,032,528.45	1,169,370.42			(11,764.67)		1,020,763.78	1,155,510.82	(2,084.93)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	1,131,234.00	1,261,171.62			(14,759.90)		1,116,474.10	1,263,889.31	(2,542.41)	0.00
Repo Agmt	1992 A-C CHMRB	0.20	11/30/10	12/01/10	13,059.09	13,059.09	6.17				13,065.26	13,065.26	-	0.00
<b>1992 A-C CHMRB Total</b>					<b>9,019,885.51</b>	<b>10,150,894.74</b>	<b>396,669.83</b>	<b>(138,715.08)</b>	<b>(260,060.77)</b>	<b>0.00</b>	<b>9,017,779.49</b>	<b>10,131,185.79</b>	<b>(17,602.93)</b>	<b>0.00</b>
<b>Total CHMRB Investment Summary</b>					<b>9,019,885.51</b>	<b>10,150,894.74</b>	<b>396,669.83</b>	<b>(138,715.08)</b>	<b>(260,060.77)</b>	<b>0.00</b>	<b>9,017,779.49</b>	<b>10,131,185.79</b>	<b>(17,602.93)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Multi Family Investment Summary  
For Period Ending November 30, 2010**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.03	11/01/10	12/01/10	44,824.97	44,824.97		(1,374.99)			43,449.98	43,449.98	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.03	11/01/10	12/01/10	28,661.20	28,661.20		(2,241.55)			26,419.65	26,419.65	-	0.00
	<b>1996 A&amp;B MF (Brighton/LasColi) Total</b>				<b>73,486.17</b>	<b>73,486.17</b>	<b>0.00</b>	<b>(3,616.54)</b>	<b>0.00</b>	<b>0.00</b>	<b>69,869.63</b>	<b>69,869.63</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1996 A&B MF (Braxton's)	0.02	11/01/10	12/01/10	76,121.48	76,121.48		(2,303.61)			73,817.87	73,817.87	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.02	11/01/10	12/01/10	36,923.95	36,923.95	758.52				37,682.47	37,682.47	-	0.00
	<b>1996 A&amp;B MF (Braxton's) Total</b>				<b>113,045.43</b>	<b>113,045.43</b>	<b>758.52</b>	<b>(2,303.61)</b>	<b>0.00</b>	<b>0.00</b>	<b>111,500.34</b>	<b>111,500.34</b>	<b>0.00</b>	<b>0.00</b>
Money Market	1987 South Tx. Rental Housing	0.00	11/01/10	12/01/10	20.09	20.09	0.00				20.09	20.09	-	0.00
Repo Agmt	1987 South Tx. Rental Housing	0.20	11/30/10	12/01/10	523,129.69	523,129.69	246.31				523,376.00	523,376.00	-	0.00
Mutual Fund	1987 South Tx. Rental Housing	0.00	11/01/10	12/01/10	1,532.85	1,532.85	0.00				1,532.85	1,532.85	-	0.00
	<b>1987 South Tx. Rental Housing Total</b>				<b>524,682.63</b>	<b>524,682.63</b>	<b>246.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>524,926.94</b>	<b>524,926.94</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Pebble Brook)	0.03	11/01/10	12/01/10	42,507.80	42,507.80	16,999.00				59,506.80	59,506.80	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	211,629.35	211,629.35		(181,408.60)			30,220.75	30,220.75	-	0.00
Money Market	1998 M/F (Pebble Brook)	0.03	11/01/10	12/01/10	3,006.71	3,006.71	0.00				3,006.71	3,006.71	-	0.00
	<b>1998 M/F (Pebble Brook) Total</b>				<b>257,143.86</b>	<b>257,143.86</b>	<b>16,999.00</b>	<b>(181,408.60)</b>	<b>0.00</b>	<b>0.00</b>	<b>92,734.26</b>	<b>92,734.26</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	80,854.08	80,854.08		(10,452.30)			70,401.78	70,401.78	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	23,173.55	23,173.55	13,250.01				36,423.56	36,423.56	-	0.00
Money Market	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	2,605.27	2,605.27		(1,959.93)			645.34	645.34	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	58,000.00	58,000.00		(42,833.34)			15,166.66	15,166.66	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	136,503.47	136,503.47		(102,811.14)			33,692.33	33,692.33	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.02	11/01/10	12/01/10	20,727.61	20,727.61	10,200.00				30,927.61	30,927.61	-	0.00
	<b>1998 M/F (Residence Oaks Proj) Total</b>				<b>321,863.98</b>	<b>321,863.98</b>	<b>23,450.01</b>	<b>(158,056.71)</b>	<b>0.00</b>	<b>0.00</b>	<b>187,257.28</b>	<b>187,257.28</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.03	11/01/10	12/01/10	110,334.17	110,334.17		(57,007.32)			53,326.85	53,326.85	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.03	11/01/10	12/01/10	166,780.22	166,780.22	42,894.03				209,654.25	209,654.25	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	11/01/10	12/01/10	145,000.02	145,000.02		(72,499.99)			72,500.03	72,500.03	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	11/01/10	12/01/10	306,843.19	306,843.19		(155,168.25)			151,474.94	151,474.94	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.01	11/01/10	12/01/10	48,521.06	48,521.06	2,991.17				51,512.23	51,512.23	-	0.00
	<b>1998 M/F (Greens-Hickory Trail Total)</b>				<b>777,258.66</b>	<b>777,258.66</b>	<b>45,885.20</b>	<b>(284,675.56)</b>	<b>0.00</b>	<b>0.00</b>	<b>538,468.30</b>	<b>538,468.30</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	1999 M/F (Mayfield Apts)	0.02	11/01/10	12/01/10	153,126.50	153,126.50	10,666.11				163,792.61	163,792.61	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.02	11/01/10	12/01/10	8,408.45	8,408.45		(654.35)			7,754.10	7,754.10	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.02	11/01/10	12/01/10	156.39	156.39	15,000.00				15,156.39	15,156.39	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.02	11/01/10	12/01/10	81,333.32	81,333.32		(63,749.32)			17,584.00	17,584.00	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.02	11/01/10	12/01/10	186,734.31	186,734.31		(135,972.51)			50,761.80	50,761.80	-	0.00
	<b>1999 M/F (Mayfield Apts) Total</b>				<b>429,758.97</b>	<b>429,758.97</b>	<b>25,666.11</b>	<b>(200,376.18)</b>	<b>0.00</b>	<b>0.00</b>	<b>255,048.90</b>	<b>255,048.90</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Timber Point Apts)	0.02	11/01/10	12/01/10	13,254.95	13,254.95	4,325.98				17,580.93	17,580.93	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.02	11/01/10	12/01/10	32,930.76	32,930.76	3,341.51				36,272.27	36,272.27	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.02	11/01/10	12/01/10	115,157.40	115,157.40		(64,635.00)			50,522.40	50,522.40	-	0.00
	<b>2000 M/F (Timber Point Apts) Total</b>				<b>161,343.11</b>	<b>161,343.11</b>	<b>7,667.49</b>	<b>(64,635.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>104,375.60</b>	<b>104,375.60</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/10	12/01/10	122,514.39	122,514.39	55,801.55				178,315.94	178,315.94	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/10	12/01/10	218,402.81	218,402.81	14,428.12				232,830.93	232,830.93	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/10	12/01/10	93,210.72	93,210.72		(3,382.28)			89,828.44	89,828.44	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	11/01/10	12/01/10	16,958.61	16,958.61	4,811.81				21,770.42	21,770.42	-	0.00
	<b>2000 A&amp;B M/F (Oaks at Hampton) Total</b>				<b>451,086.53</b>	<b>451,086.53</b>	<b>75,041.48</b>	<b>(3,382.28)</b>	<b>0.00</b>	<b>0.00</b>	<b>522,745.73</b>	<b>522,745.73</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Deerwood Apts)	0.01	11/01/10	12/01/10	19,319.18	19,319.18	6,000.00				25,319.18	25,319.18	-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	134,650.21	134,650.21	123,944.10				258,594.31	258,594.31	-	0.00
	<b>2000 M/F (Deerwood Apts) Total</b>				<b>153,969.39</b>	<b>153,969.39</b>	<b>129,944.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>283,913.49</b>	<b>283,913.49</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Creek Point Apts)	0.02	11/01/10	12/01/10	6,947.59	6,947.59	3,394.57				10,282.16	10,282.16	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.02	11/01/10	12/01/10	15,229.62	15,229.62	12,844.85				28,074.47	28,074.47	-	0.00
Money Market	2000 M/F (Creek Point Apts)	0.02	11/01/10	12/01/10	99,350.73	99,350.73		(69,295.00)			30,055.73	30,055.73	-	0.00
	<b>2000 M/F (Creek Point Apts) Total</b>				<b>121,527.94</b>	<b>121,527.94</b>	<b>16,179.42</b>	<b>(69,295.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>68,412.36</b>	<b>68,412.36</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/10	12/01/10	15,181.53	15,181.53	4,341.89				19,523.42	19,523.42	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/10	12/01/10	266,489.63	266,489.63	14,428.34				280,918.97	280,918.97	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/10	12/01/10	93,118.71	93,118.71		(1,324.96)			91,793.75	91,793.75	-	0.00
Money Market	2000 M/F (Parks @ Westmoreld)	0.01	11/01/10	12/01/10	433.00	433.00	0.00				433.00	433.00	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	11/01/10	12/01/10	151,180.91	151,180.91	61,601.64				212,782.55	212,782.55	-	0.00
	<b>2000 M/F (Parks @ Westmoreld) Total</b>				<b>526,403.78</b>	<b>526,403.78</b>	<b>80,372.87</b>	<b>(1,324.96)</b>	<b>0.00</b>	<b>0.00</b>	<b>605,451.69</b>	<b>605,451.69</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A-C MF Highland Meadows	0.02	11/01/10	12/01/10	97,787.28	97,787.28	48,179.00				145,966.28	145,966.28	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.02	11/01/10	12/01/10	38,280.45	38,280.45		(27,005.00)			12,275.45	12,275.45	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.02	11/01/10	12/01/10	72,152.37	72,152.37	15,000.00				87,152.37	87,152.37	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Mutual Fund	2000 A-C MF Highland Meadows	0.02	11/01/10	12/01/10	47,996.00	47,999.00		(35,499.00)			12,500.00	12,500.00	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.02	11/01/10	12/01/10	195,349.85	195,349.85		(137,854.25)			57,395.60	57,396.00	-	0.00
	<b>2000 A-C MF Highland Meadows Total</b>				<b>452,568.95</b>	<b>452,568.95</b>	<b>63,179.00</b>	<b>(200,458.25)</b>	<b>0.00</b>	<b>0.00</b>	<b>315,289.70</b>	<b>315,289.70</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2000 A/B MF Greenbridge	0.01	11/01/10	12/01/10	32,286.05	32,286.05	0.81				32,286.86	32,286.86	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	11/01/10	12/01/10	15,038.51	15,038.51	0.85				15,039.36	15,039.36	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	11/01/10	12/01/10	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	0.00
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	0.00
Money Market	2000 A/B MF Greenbridge	0.01	11/01/10	12/01/10	47,054.64	47,054.64	1,128.19				48,180.83	48,180.83	-	0.00
	<b>2000 A/B MF Greenbridge Total</b>				<b>106,154.65</b>	<b>106,154.65</b>	<b>1,127.85</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>107,282.50</b>	<b>107,282.50</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A-C MF Collingham Park	0.03	11/01/10	12/01/10	138,972.12	138,972.12	52,208.78				191,180.90	191,180.90	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.03	11/01/10	12/01/10	14,265.53	14,265.53	15,000.00				29,265.53	29,265.53	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.03	11/01/10	12/01/10	6,434.59	6,434.59	3,519.53	(2,915.05)			3,519.53	3,519.53	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.03	11/01/10	12/01/10	75,333.32	75,333.32		(54,667.32)			20,666.00	20,666.00	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.03	11/01/10	12/01/10	284,984.00	284,984.00		(205,119.20)			79,864.80	79,864.80	-	0.00
	<b>2000 A-C MF Collingham Park Total</b>				<b>519,989.56</b>	<b>519,989.56</b>	<b>67,208.78</b>	<b>(262,701.58)</b>	<b>0.00</b>	<b>0.00</b>	<b>324,496.76</b>	<b>324,496.76</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2000 A/B MF Williams Run	0.01	11/01/10	12/01/10	13.09	13.09	0.00				13.09	13.09	-	0.00
Mutual Fund	2000 A/B MF Williams Run	0.01	11/01/10	12/01/10	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Williams Run	0.01	11/01/10	12/01/10	0.03	0.03	0.00				0.03	0.03	-	0.00
	<b>2000 A/B MF Williams Run Total</b>				<b>27.84</b>	<b>27.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>27.84</b>	<b>27.84</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	19,510.29	19,510.29	5,301.11				24,811.40	24,811.40	-	0.00
Money Market	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	241.47	241.47	739.62				981.09	981.09	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	156,223.68	156,223.68	62,528.21				218,751.89	218,751.89	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	135,684.75	135,684.75	14,423.57				150,108.32	150,108.32	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	98,627.36	98,627.36		(21.47)			98,605.89	98,605.89	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts	0.01	11/01/10	12/01/10	42,075.76	42,075.76	1.07				42,076.83	42,076.83	-	0.00
	<b>2001A MF Bluffview Sr. Apts Total</b>				<b>452,363.31</b>	<b>452,363.31</b>	<b>82,993.58</b>	<b>(21.47)</b>	<b>0.00</b>	<b>0.00</b>	<b>535,335.42</b>	<b>535,335.42</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/10	12/01/10	8,648.74	8,648.74	6,132.62				14,781.36	14,781.36	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/10	12/01/10	153,143.10	153,143.10	75,710.63				228,853.73	228,853.73	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/10	12/01/10	41,759.95	41,759.95	14,885.80				56,645.75	56,645.75	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	11/01/10	12/01/10	123,752.41	123,752.41	1,482.02	(3,254.10)			120,498.31	120,498.31	-	0.00
Money Market	2001A MF Knollwood Villas Apts	0.01	11/01/10	12/01/10	211.72	211.72					1,693.74	1,693.74	-	0.00
	<b>2001A MF Knollwood Villas Apts Total</b>				<b>327,515.92</b>	<b>327,515.92</b>	<b>98,211.07</b>	<b>(3,254.10)</b>	<b>0.00</b>	<b>0.00</b>	<b>422,472.89</b>	<b>422,472.89</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	22,684.70	22,684.70	14,666.64				37,351.34	37,351.34	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	248,254.72	248,254.72	14,499.99				262,754.71	262,754.71	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	2,370.63	2,370.63		(880.78)			1,489.85	1,489.85	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	119,706.91	119,706.91	20,698.49				140,405.40	140,405.40	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	66,229.93	66,229.93		(29,179.49)			37,050.44	37,050.44	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	28,333.35	28,333.35	24,999.99				53,333.34	53,333.34	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	11/01/10	12/01/10	142,196.19	142,196.19	79,038.12				221,234.31	221,234.31	-	0.00
	<b>2001A MF Skyway Villas Total</b>				<b>629,776.43</b>	<b>629,776.43</b>	<b>153,903.23</b>	<b>(30,060.27)</b>	<b>0.00</b>	<b>0.00</b>	<b>753,619.39</b>	<b>753,619.39</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Cobb Park	0.01	11/01/10	12/01/10	63,574.41	63,574.41	223,714.47				287,288.88	287,288.88	-	0.00
Mutual Fund	2001AB MF Cobb Park	0.01	11/01/10	12/01/10	38,399.40	38,399.40	0.98				38,400.38	38,400.38	-	0.00
	<b>2001AB MF Cobb Park Total</b>				<b>101,973.81</b>	<b>101,973.81</b>	<b>223,715.45</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>325,689.26</b>	<b>325,689.26</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001A MF Greens Road Apts	0.03	11/01/10	12/01/10	1.50	1.50	0.00				1.50	1.50	-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/24	153,146.34	153,146.34		(65,521.41)			87,624.93	87,624.93	-	0.00
	<b>2001A MF Greens Road Apts Total</b>				<b>153,147.84</b>	<b>153,147.84</b>	<b>0.00</b>	<b>(65,521.41)</b>	<b>0.00</b>	<b>0.00</b>	<b>87,626.43</b>	<b>87,626.43</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	9,864.55	9,864.55	7,905.24				17,769.79	17,769.79	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	130,492.04	130,492.04	17,489.99				147,982.03	147,982.03	-	0.00
Money Market	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	281,131.39	281,131.39	87,492.51				368,623.90	368,623.90	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	37,632.58	37,632.58	0.00				37,632.58	37,632.58	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	1,955.00	1,955.00	0.00				1,955.00	1,955.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	6,000.00	6,000.00	0.00				6,000.00	6,000.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	40,110.00	40,110.00	0.00	(90.00)			40,020.00	40,020.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.02	11/01/10	12/01/10	52,267.08	52,267.08	0.00				52,267.08	52,267.08	-	0.00
	<b>2001AB MF Meridian Apts Total</b>				<b>559,452.64</b>	<b>559,452.64</b>	<b>112,897.74</b>	<b>(90.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>672,260.38</b>	<b>672,260.38</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	4,750.23	4,750.23	7,425.51				12,175.74	12,175.74	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	73,212.87	73,212.87	90,403.20				163,616.07	163,616.07	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	393,568.13	393,568.13		(75.00)			393,493.13	393,493.13	-	0.00
Money Market	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	67,099.09	67,099.09	17,499.99				84,599.08	84,599.08	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	5,000.00	5,000.00	0.00				5,000.00	5,000.00	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.02	11/01/10	12/01/10	32,560.00	32,560.00		(75.00)			32,485.00	32,485.00	-	0.00
	<b>2001AB MF Wildwood Branch Total</b>				<b>576,190.32</b>	<b>576,190.32</b>	<b>115,328.70</b>	<b>(150.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>691,369.02</b>	<b>691,369.02</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001ABC MF Fallbrook Apts	0.02	11/01/10	12/01/10	143,264.77	143,264.77	53,871.73				197,136.50	197,136.50	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10	17,341.31	17,341.31	8,812.15				26,153.46	26,153.46	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10	36,501.36	36,501.36		(1,165.20)			35,336.16	35,336.16	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10		0.12	0.00				0.12	0.12	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10	144,069.24	144,069.24		(19,476.75)			124,592.49	124,592.49	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10	66,006.56	66,006.56	62,001.74				128,008.30	128,008.30	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	11/01/10	12/01/10	205,884.79	205,884.79	205,886.48				411,771.28	411,771.28	-	0.00
	<b>2001ABC MF Fallbrook Apts Total</b>				<b>613,068.15</b>	<b>613,068.15</b>	<b>330,572.11</b>	<b>(20,641.95)</b>		0.00	<b>922,998.31</b>	<b>922,998.31</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001 MF Oak Hollow Apts	0.01	11/01/10	12/01/10	34,458.03	34,458.03	4,143.15				38,601.18	38,601.18	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	11/01/10	12/01/10	85,744.35	85,744.35		(10,132.41)			75,611.94	75,611.94	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	11/01/10	12/01/10	56,922.22	56,922.22		(0.40)			56,921.82	56,921.82	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	11/01/10	12/01/10	87,710.38	87,710.38	36,474.61				124,184.99	124,184.99	-	0.00
	<b>2001 MF Oak Hollow Apts Total</b>				<b>264,834.98</b>	<b>264,834.98</b>	<b>40,617.76</b>	<b>(10,132.81)</b>		0.00	<b>295,319.93</b>	<b>295,319.93</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Hillside Apts	0.01	11/01/10	12/01/10	20,184.63	20,184.63	5,713.23				25,897.86	25,897.86	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	11/01/10	12/01/10	66,250.54	66,250.54	13,170.52				79,421.06	79,421.06	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	11/01/10	12/01/10	104,117.11	104,117.11		(1.50)			104,115.61	104,115.61	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	11/01/10	12/01/10	133,210.33	133,210.33	62,062.93				195,273.26	195,273.26	-	0.00
	<b>2001AB MF Hillside Apts Total</b>				<b>323,762.61</b>	<b>323,762.61</b>	<b>80,946.68</b>	<b>(1.50)</b>		0.00	<b>404,707.79</b>	<b>404,707.79</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	8,862.99	8,862.99	8,863.11				17,726.10	17,726.10	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	236,619.17	236,619.17	15,506.00				252,125.17	252,125.17	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	22,561.83	22,561.83		(15,485.01)			7,076.82	7,076.82	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	103,628.01	103,628.01		(38,584.78)			65,063.23	65,063.23	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	32,500.42	32,500.42	47,499.58				80,000.00	80,000.00	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	150,112.20	150,112.20	112,610.28				262,722.48	262,722.48	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	11/01/10	12/01/10	198,981.91	198,981.91	52,706.13				251,688.04	251,688.04	-	0.00
	<b>2002A MF Millstone Apts Total</b>				<b>753,266.53</b>	<b>753,266.53</b>	<b>237,165.10</b>	<b>(54,049.79)</b>		0.00	<b>936,401.84</b>	<b>936,401.84</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF West Oaks Apts	0.01	11/01/10	12/01/10	880.61	880.61	0.03				880.64	880.64	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	11/01/10	12/01/10	6,275.39	6,275.39	9,412.22				15,687.61	15,687.61	-	0.00
Money Market	2002 MF West Oaks Apts	0.01	11/01/10	12/01/10	8,908.10	8,908.10	4,394.30				13,302.40	13,302.40	-	0.00
Money Market	2002 MF West Oaks Apts	0.01	11/01/10	12/01/10	11,105.44	11,105.44	0.20				11,105.64	11,105.64	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	11/01/10	12/01/10	79,245.36	79,245.36	45,008.49				124,253.85	124,253.85	-	0.00
	<b>2002 MF West Oaks Apts Total</b>				<b>106,414.90</b>	<b>106,414.90</b>	<b>58,815.24</b>	<b>0.00</b>		0.00	<b>165,230.14</b>	<b>165,230.14</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Park Meadows	0.02	11/01/10	12/01/10	1,450.00	1,450.00	0.00				1,450.00	1,450.00	-	0.00
Mutual Fund	2002 MF Park Meadows	0.02	11/01/10	12/01/10	110,485.53	110,485.53	90,762.00				201,247.53	201,247.53	-	0.00
Mutual Fund	2002 MF Park Meadows	0.02	11/01/10	12/01/10	52.41	52.41	0.00				52.41	52.41	-	0.00
	<b>2002 MF Park Meadows Total</b>				<b>111,987.94</b>	<b>111,987.94</b>	<b>90,762.00</b>	<b>0.00</b>		0.00	<b>202,749.94</b>	<b>202,749.94</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	11/01/10	12/01/10	32,553.17	32,553.17		(18,097.53)			14,455.64	14,455.64	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	11/01/10	12/01/10	138,685.31	138,685.31	14,245.37				152,930.68	152,930.68	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	11/01/10	12/01/10	115,564.00	115,564.00	4,127.78				119,691.78	119,691.78	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.01	11/01/10	12/01/10	400.39	400.39	2,001.96				2,402.35	2,402.35	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.01	11/01/10	12/01/10	157,790.53	157,790.53	67,203.75				224,994.28	224,994.28	-	0.00
	<b>2002 MF Clarkridge Villas Apts Total</b>				<b>444,993.40</b>	<b>444,993.40</b>	<b>87,578.86</b>	<b>(18,097.53)</b>		0.00	<b>514,474.73</b>	<b>514,474.73</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Hickory Trace Apts	0.01	11/01/10	12/01/10	17,529.99	17,529.99		(15,103.95)			2,426.04	2,426.04	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	11/01/10	12/01/10	63,562.53	63,562.53		(22,827.97)			40,734.56	40,734.56	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.01	11/01/10	12/01/10	92,761.28	92,761.28	0.00				92,761.28	92,761.28	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.01	11/01/10	12/01/10	997.84	997.84	0.03				997.87	997.87	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	11/01/10	12/01/10	110,010.15	110,010.15		(80,216.08)			29,794.07	29,794.07	-	0.00
	<b>2002 MF Hickory Trace Apts Total</b>				<b>284,861.79</b>	<b>284,861.79</b>	<b>0.03</b>	<b>(118,148.00)</b>		0.00	<b>166,713.82</b>	<b>166,713.82</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/10	12/01/10	222,284.04	222,284.04	38,049.37				260,333.41	260,333.41	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/10	12/01/10	145,955.49	145,955.49		(14,463.22)			131,492.27	131,492.27	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/10	12/01/10	0.38	0.38	0.00				0.38	0.38	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	11/01/10	12/01/10	1,581.28	1,581.28	0.03				1,581.31	1,581.31	-	0.00
	<b>2002 MF Green Crest Apts Total</b>				<b>369,821.19</b>	<b>369,821.19</b>	<b>38,049.40</b>	<b>(14,463.22)</b>		0.00	<b>393,407.37</b>	<b>393,407.37</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002AB MF Ironwood Crossing	0.01	11/01/10	12/01/10	303,719.83	303,719.83		(237,786.94)			65,932.89	65,932.89	-	0.00
Mutual Fund	2002AB MF Ironwood Crossing	0.01	11/01/10	12/01/10	38,055.13	38,055.13	14,141.06				52,196.19	52,196.19	-	0.00
	<b>2002AB MF Ironwood Crossing Total</b>				<b>341,774.96</b>	<b>341,774.96</b>	<b>14,141.06</b>	<b>(237,786.94)</b>		0.00	<b>118,129.08</b>	<b>118,129.08</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Woodway Village	0.02	11/01/10	12/01/10	2,661.15	2,661.15	0.00				2,661.15	2,661.15	-	0.00
Mutual Fund	2002 MF Woodway Village	0.02	11/01/10	12/01/10	146,300.43	146,300.43	131,034.90				277,335.33	277,335.33	-	0.00
	<b>2002 MF Woodway Village Total</b>				<b>148,961.58</b>	<b>148,961.58</b>	<b>131,034.90</b>	<b>0.00</b>		0.00	<b>279,996.48</b>	<b>279,996.48</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	15,711.17	15,711.17		(15,014.17)			697.00	697.00	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	26,366.53	26,366.53	38,887.50				65,254.03	65,254.03	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	2,596.88	2,596.88	86.28				2,683.16	2,683.16	-	0.00
Money Market	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	98,361.77	98,361.77		(58,197.58)			40,164.19	40,164.19	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.02	11/01/10	12/01/10	0.16	0.16	0.00				0.16	0.16	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
	<b>2003 AB MF Reading Road Total</b>				143,052.43	143,052.43	38,973.78	(73,211.75)	0.00	0.00	108,814.46	108,814.46	0.00	0.00
Money Market	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	122,105.76	122,105.76	66,409.00				188,514.76	188,514.76	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	398.66	398.66	0.00				398.66	398.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	9,984.32	9,984.32	2,878.83				12,863.15	12,863.15	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	154,248.33	154,248.33	16,750.00				170,998.33	170,998.33	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	62,444.83	62,444.83		(45,884.20)			16,560.63	16,560.63	-	0.00
Money Market	2003 AB MF North Vista Apts	0.01	11/01/10	12/01/10	56,666.91	56,666.91	43,333.34				100,000.25	100,000.25	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	167,630.86	167,630.86	121,937.08				289,567.94	289,567.94	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.02	11/01/10	12/01/10	14,394.81	14,394.81	7,935.00				22,329.81	22,329.81	-	0.00
	<b>2003 AB MF North Vista Apts Total</b>				587,874.48	587,874.48	259,243.25	(45,884.20)	0.00	0.00	801,233.53	801,233.53	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	68,656.12	68,656.12		(32,054.65)			36,601.47	36,601.47	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	54,739.94	54,739.94	12,752.65				67,492.59	67,492.59	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	141,951.43	141,951.43	20,479.13				162,430.56	162,430.56	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	32.70	32.70	0.17				32.87	32.87	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	42,081.71	42,081.71		(31,504.78)			10,576.93	10,576.93	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	49,205.92	49,205.92	34,169.06				83,374.98	83,374.98	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.08	11/01/10	12/01/10	117,649.96	117,649.96	87,410.05				205,060.01	205,060.01	-	0.00
	<b>2003 AB MF West Virginia Apts Total</b>				474,317.78	474,317.78	154,811.06	(63,559.43)	0.00	0.00	565,569.41	565,569.41	0.00	0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux	0.01	11/01/10	12/01/10	9,094.17	9,094.17	0.23				9,094.40	9,094.40	-	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,278,348.01	14,278,348.01			(41,538.10)		14,236,809.91	14,236,809.91	-	0.00
Inv Agrmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	143,240.05	143,240.05	223,411.31				366,651.36	366,651.36	-	0.00
	<b>2003AB MF Sphinx @ Murdeaux Total</b>				14,430,682.23	14,430,682.23	223,411.54	0.00	(41,538.10)	0.00	14,612,555.67	14,612,555.67	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston	0.01	11/01/10	12/01/10	99,828.04	99,828.04		(0.01)			99,828.03	99,828.03	-	0.00
Money Market	2003 AB MF Primrose Houston	0.01	11/01/10	12/01/10	13,297.24	13,297.24	5,637.62				18,934.86	18,934.86	-	0.00
	<b>2003 AB MF Primrose Houston Total</b>				113,125.28	113,125.28	5,637.62	(0.01)	0.00	0.00	118,762.89	118,762.89	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/10	12/01/10	33,875.53	33,875.93	9,372.95				43,248.88	43,248.88	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/10	12/01/10	15,304.56	15,304.56	9,794.99				25,099.55	25,099.55	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/10	12/01/10			2,428.55				2,428.55	2,428.55	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	11/01/10	12/01/10	3,749.22	3,749.22	2,000.75				5,749.97	5,749.97	-	0.00
	<b>2003 AB MF Timber Oaks Apts Total</b>				52,929.71	52,929.71	23,597.24	0.00	0.00	0.00	76,526.95	76,526.95	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	11/01/10	12/01/10	1,219.18	1,219.18	0.15				1,219.33	1,219.33	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	11/01/10	12/01/10	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	11/01/10	12/01/10	99,271.74	99,271.74					99,271.74	99,271.74	-	0.00
Money Market	2003 AB MF Ash Creek	0.01	11/01/10	12/01/10	13,104.84	13,104.84		(10,870.35)			2,234.49	2,234.49	-	0.00
	<b>2003 AB MF Ash Creek Total</b>				118,424.24	118,424.24	0.15	(10,870.35)	0.00	0.00	107,554.04	107,554.04	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/10	12/01/10	2,203.88	2,203.88		(2,140.44)			63.44	63.44	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/10	12/01/10	352,581.90	352,581.90		(210,505.73)			142,076.17	142,076.17	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	11/01/10	12/01/10	12,771.67	12,771.67		(9,898.60)			2,773.07	2,773.07	-	0.00
	<b>2003 AB MF Peninsula Total</b>				367,557.45	367,557.45	0.00	(222,644.77)	0.00	0.00	144,912.68	144,912.68	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/10	12/01/10	31.44	31.44	0.00				31.44	31.44	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/10	12/01/10	171,248.89	171,248.89	10,133.69				181,382.58	181,382.58	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/10	12/01/10	79,539.83	79,539.83		(476.81)			79,063.02	79,063.02	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				1,013.34	1,013.34		(1,013.34)					-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				0.03	0.03		(0.03)					-	0.00
Money Market	2003 A MF Evergreen @ Mesquite				37.66	37.66		(37.66)					-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	11/01/10	12/01/10	15,433.64	15,433.64	6,454.50				21,888.14	21,888.14	-	0.00
	<b>2003 A MF Evergreen @ Mesquite Total</b>				267,304.83	267,304.83	16,588.19	(1,527.84)	0.00	0.00	282,365.18	282,365.18	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	11/01/10	12/01/10	108,513.10	108,513.10	25.70				108,538.80	108,538.80	-	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	11/01/10	12/01/10	24,252.46	24,252.46		(17,018.25)			7,234.21	7,234.21	-	0.00
	<b>2003 AB Arlington Villas Total</b>				132,765.56	132,765.56	25.70	(17,018.25)	0.00	0.00	115,773.01	115,773.01	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/10	12/01/10	812.26	812.26	0.03				812.29	812.29	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/10	12/01/10	87,955.05	87,955.05	5,712.50				93,667.55	93,667.55	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/10	12/01/10	2.19	2.19	0.00				2.19	2.19	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/10	12/01/10	267,401.66	267,401.66	83,075.59				350,477.25	350,477.25	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	11/01/10	12/01/10	221,189.20	221,189.20	5.58				221,194.78	221,194.78	-	0.00
	<b>2003 AB Parkview Twnhms Total</b>				577,360.36	577,360.36	88,793.70	0.00	0.00	0.00	666,154.06	666,154.06	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/10	12/01/10	48,435.67	48,435.67	104,355.44				152,791.11	152,791.11	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/10	12/01/10	52,079.26	52,079.26	16,843.82				68,923.18	68,923.18	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/10	12/01/10	682.74	682.74	0.00				682.74	682.74	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	11/01/10	12/01/10	0.76	0.76	0.00				0.76	0.76	-	0.00
	<b>2003 MF NHP-Asmara-Refunding Total</b>				101,198.43	101,198.43	121,199.36	0.00	0.00	0.00	222,397.79	222,397.79	0.00	0.00
Money Market	2004 A&B Timber Ridge	0.01	11/01/10	12/01/10	11,441.98	11,441.98	3,013.97				14,455.95	14,455.95	-	0.00
Money Market	2004 A&B Timber Ridge	0.01	11/01/10	12/01/10	56,550.78	56,550.78	591.98				57,142.76	57,142.76	-	0.00



Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
	<b>2004 A&amp;B Timber Ridge Total</b>				67,992.76	67,992.76	3,605.95	0.00	0.00	0.00	71,598.71	71,598.71	0.00	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	21,551.08	21,551.08	17,719.63				39,270.71	39,270.71	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	64,029.32	64,029.32		(44,164.55)			19,864.77	19,864.77	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	6,589.12	6,589.12	0.17				6,589.29	6,589.29	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	13.72	13.72	7.15				20.87	20.87	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	46,706.93	46,706.93	39,167.93				85,874.86	85,874.86	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	137,328.39	137,328.39	15,003.48				152,331.87	152,331.87	-	0.00
Money Market	2004 A&B Century Park	0.01	11/01/10	12/01/10	149,283.42	149,283.42	130,954.18				280,237.60	280,237.60	-	0.00
	<b>2004 A&amp;B Century Park Total</b>				425,511.98	425,511.98	202,852.54	(44,164.55)	0.00	0.00	584,199.97	584,199.97	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/10	12/01/10	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/10	12/01/10	43,256.20	43,256.20		(31,338.06)			11,918.14	11,918.14	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/10	12/01/10	55,956.37	55,956.37		(3,360.25)			52,596.12	52,596.12	-	0.00
Money Market	2004 A&B MF Veterans Memorial				0.74	0.74		(0.74)					-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	11/01/10	12/01/10	0.91	0.91	0.00				0.91	0.91	-	0.00
	<b>2004 A&amp;B MF Veterans Memorial Total</b>				99,214.39	99,214.39	0.00	(34,699.05)	0.00	0.00	64,515.34	64,515.34	0.00	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/10	12/01/10	114,167.28	114,167.28	8,106.61				122,273.89	122,273.89	-	0.00
Money Market	2004 MF Rush Creek Apts				1,403.71	1,403.71		(1,403.71)					-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/10	12/01/10	74,318.29	74,318.29		(17.21)			74,301.08	74,301.08	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/10	12/01/10	20,282.66	20,282.66	0.51				20,283.17	20,283.17	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/10	12/01/10	18,230.96	18,230.96	1,944.14				20,175.10	20,175.10	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	11/01/10	12/01/10	100,897.82	100,897.82		(89,444.50)			11,453.32	11,453.32	-	0.00
Money Market	2004 MF Rush Creek Apts				325.73	325.73		(325.73)					-	0.00
	<b>2004 MF Rush Creek Apts Total</b>				329,626.45	329,626.45	10,051.26	(91,191.15)	0.00	0.00	248,486.56	248,486.56	0.00	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/10	12/01/10	116,952.72	116,952.72	8,349.00				125,301.72	125,301.72	-	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/10	12/01/10	128,939.95	128,939.95	26,846.52				155,786.47	155,786.47	-	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/10	12/01/10	184,252.87	184,252.87	230,067.26				414,320.13	414,320.13	-	0.00
Money Market	2004 MF Humble Parkway	0.01	11/01/10	12/01/10	5,366.68	5,366.68					10,733.36	10,733.36	-	0.00
	<b>2004 MF Humble Parkway Total</b>				435,512.22	435,512.22	270,629.46	0.00	0.00	0.00	706,141.68	706,141.68	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	0.01	11/01/10	12/01/10	41,708.90	41,708.90	42,230.56				83,939.46	83,939.46	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	11/01/10	12/01/10	2,283.25	2,283.25	0.17				2,263.42	2,263.42	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	11/01/10	12/01/10	15,110.56	15,110.56		(5,112.56)			9,998.00	9,998.00	-	0.00
	<b>2004 MF Chisholm Trail Apts Total</b>				59,102.71	59,102.71	42,230.73	(5,112.56)	0.00	0.00	96,220.88	96,220.88	0.00	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	120,924.78	120,924.78	33,782.18				154,706.96	154,706.96	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	30,307.62	30,307.62		(23,557.43)			6,750.19	6,750.19	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	7,842.01	7,842.01	121.30				7,963.31	7,963.31	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	79,128.87	79,128.87		(211.37)			78,917.50	78,917.50	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	1,164.08	1,164.08	226.86				1,390.74	1,390.74	-	0.00
Money Market	2004 MF Evergreen at Plano	0.00	11/01/10	12/01/10	251,018.58	251,018.58	13,661.59				264,680.17	264,680.17	-	0.00
	<b>2004 MF Evergreen at Plano Total</b>				490,385.94	490,385.94	47,791.73	(23,768.80)	0.00	0.00	514,408.87	514,408.87	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	11/01/10	12/01/10	8,746.25	8,746.25		(1,587.22)			7,159.03	7,159.03	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	11/01/10	12/01/10	91,092.11	91,092.11		(54,078.35)			37,013.76	37,013.76	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	11/01/10	12/01/10	1,087.28	1,087.28	0.01				1,087.29	1,087.29	-	0.00
	<b>2004 MF Montgomery Pines Apts Total</b>				100,925.64	100,925.64	0.01	(55,665.57)	0.00	0.00	45,260.08	45,260.08	0.00	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/10	12/01/10	392.77	392.77	0.00				392.77	392.77	-	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/10	12/01/10	0.07	0.07	0.00				0.07	0.07	-	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/10	12/01/10	10,539.34	10,539.34		(2,498.52)			8,040.82	8,040.82	-	0.00
Money Market	2004 MF Bristol Apts	0.00	11/01/10	12/01/10	76,965.73	76,965.73	26,316.06				103,281.79	103,281.79	-	0.00
	<b>2004 MF Bristol Apts Total</b>				87,897.91	87,897.91	26,316.06	(2,498.52)	0.00	0.00	111,715.45	111,715.45	0.00	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10	191.72	191.72	4,072.27				4,263.99	4,263.99	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10	20,528.30	20,528.30	30,538.25				51,066.55	51,066.55	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10	101,027.27	101,027.27		(99,998.99)			1,028.28	1,028.28	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10	51.54	51.54	0.00				51.54	51.54	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10			0.21				0.21	0.21	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	11/01/10	12/01/10	44.36	44.36	0.00				44.36	44.36	-	0.00
	<b>2004 MF Pinnacle Apts Total</b>				121,843.19	121,843.19	34,610.73	(99,998.99)	0.00	0.00	56,454.93	56,454.93	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	62,983.79	62,983.79	12,300.74				75,284.53	75,284.53	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	75,998.10	75,998.10		(397.38)			75,600.72	75,600.72	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	1,186.80	1,186.80	264.17				1,450.97	1,450.97	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	190,751.48	190,751.48	67,335.73				258,087.21	258,087.21	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	38,049.99	38,049.99		(1,798.06)			36,251.93	36,251.93	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	11/01/10	12/01/10	8,279.11	8,279.11	133.22				8,412.33	8,412.33	-	0.00
	<b>2004 MF Tranquility Bay Apts Total</b>				377,249.27	377,249.27	80,033.86	(2,195.44)	0.00	0.00	455,087.68	455,087.68	0.00	0.00
GNMA Inv Agmt	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	10,935,893.68	10,935,893.68			(27,707.58)		10,907,986.10	10,907,986.10	-	0.00
	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	64,321.92	64,321.92	175,761.76				240,083.68	240,083.68	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Money Market	2004 MF Sphinx @ Delafield	0.01	11/01/10	12/01/10	7,669.05	7,669.05	0.20				7,669.25	7,669.25	-	0.00
	<b>2004 MF Sphinx @ Delafield Total</b>				<b>11,007,684.65</b>	<b>11,007,684.65</b>	<b>175,761.96</b>	<b>0.00</b>	<b>(27,707.58)</b>	<b>0.00</b>	<b>11,155,739.03</b>	<b>11,155,739.03</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2004 MF Churchill @ Pinnacle				8,443.23	8,443.23		(8,443.23)					-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/10	12/01/10	196,506.53	196,506.53	36,261.71				232,768.24	232,768.24	-	0.00
Money Market	2004 MF Churchill @ Pinnacle				359.01	359.01		(359.01)					-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/10	12/01/10	200,026.79	200,026.79	10,929.23				210,956.02	210,956.02	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/10	12/01/10	6,570.26	6,570.26	142.01				6,712.27	6,712.27	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/10	12/01/10	54,046.06	54,046.06		(230.25)			53,815.81	53,815.81	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	11/01/10	12/01/10	20,016.40	20,016.40		(10,638.80)			9,377.60	9,377.60	-	0.00
	<b>2004 MF Churchill @ Pinnacle Total</b>				<b>485,968.28</b>	<b>485,968.28</b>	<b>47,332.95</b>	<b>(19,671.29)</b>	<b>0.00</b>	<b>0.00</b>	<b>513,629.94</b>	<b>513,629.94</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2004 A/B MF Post Oak East Apts				3,043.43	3,043.43		(3,043.43)					-	0.00
Money Market	2004 A/B MF Post Oak East Apts				2.89	2.89		(2.89)					-	0.00
Money Market	2004 A/B MF Post Oak East Apts				6.01	6.01		(6.01)					-	0.00
	<b>2004 A/B MF Post Oak East Apts Total</b>				<b>3,052.33</b>	<b>3,052.33</b>	<b>0.00</b>	<b>(3,052.33)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2004 MF Village Fair	0.01	11/01/10	12/01/10	122,275.93	122,275.93	54,085.89				176,361.82	176,361.82	-	0.00
Money Market	2004 MF Village Fair	0.01	11/01/10	12/01/10	79,084.11	79,084.11		(22,081.05)			57,003.06	57,003.06	-	0.00
Money Market	2004 MF Village Fair	0.01	11/01/10	12/01/10	104,250.52	104,250.52	2,501.93				106,752.45	106,752.45	-	0.00
Money Market	2004 MF Village Fair	0.01	11/01/10	12/01/10	28,047.73	28,047.73	6,050.65				34,098.38	34,098.38	-	0.00
	<b>2004 MF Village Fair Total</b>				<b>333,658.29</b>	<b>333,658.29</b>	<b>62,638.47</b>	<b>(22,081.05)</b>	<b>0.00</b>	<b>0.00</b>	<b>374,215.71</b>	<b>374,215.71</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Pecan Grove	0.01	11/01/10	12/01/10	0.87	0.87	0.00				0.87	0.87	-	0.00
	<b>2005 MF Pecan Grove Total</b>				<b>0.87</b>	<b>0.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.87</b>	<b>0.87</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Prairie Oaks	0.01	11/01/10	12/01/10	29,651.58	29,651.58	5,412.01				35,063.59	35,063.59	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/10	12/01/10	78,408.82	78,408.82		(45,762.45)			32,646.37	32,646.37	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/10	12/01/10	25,583.23	25,583.23	0.65				25,583.88	25,583.88	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/10	12/01/10	86,820.59	86,820.59	0.27				86,820.86	86,820.86	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	11/01/10	12/01/10	117,053.53	117,053.53	50,089.33				167,142.86	167,142.86	-	0.00
	<b>2005 MF Prairie Oaks Total</b>				<b>337,517.75</b>	<b>337,517.75</b>	<b>55,502.26</b>	<b>(45,762.45)</b>	<b>0.00</b>	<b>0.00</b>	<b>347,257.56</b>	<b>347,257.56</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Port Royal	0.01	11/01/10	12/01/10	1.25	1.25	0.00				1.25	1.25	-	0.00
	<b>2005 MF Port Royal Total</b>				<b>1.25</b>	<b>1.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.25</b>	<b>1.25</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Mission Del Rio	0.01	11/01/10	12/01/10	54.77	54.77	0.00				54.77	54.77	-	0.00
	<b>2005 MF Mission Del Rio Total</b>				<b>54.77</b>	<b>54.77</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>54.77</b>	<b>54.77</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Atascocita Apts	0.01	11/01/10	12/01/10	13,817.76	13,817.76	5,350.03				19,167.79	19,167.79	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/10	12/01/10	2.29	2.29	0.38				2.67	2.67	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/10	12/01/10	27.55	27.55	0.00				27.55	27.55	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	11/01/10	12/01/10	41,559.32	41,559.32	31,236.88				72,796.20	72,796.20	-	0.00
	<b>2005 MF Atascocita Apts Total</b>				<b>55,406.92</b>	<b>55,406.92</b>	<b>36,567.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>91,994.21</b>	<b>91,994.21</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Tower Ridge	0.02	11/01/10	12/01/10	11,621.85	11,621.85	4,957.20				16,579.05	16,579.05	-	0.00
Money Market	2005 MF Tower Ridge	0.02	11/01/10	12/01/10	916.52	916.52	0.01				916.53	916.53	-	0.00
Money Market	2005 MF Tower Ridge	0.03	11/01/10	12/01/10	86.21	86.21	0.00				86.21	86.21	-	0.00
Money Market	2005 MF Tower Ridge	0.03	11/01/10	12/01/10	1,826.66	1,826.66	0.00				1,826.66	1,826.66	-	0.00
	<b>2005 MF Tower Ridge Total</b>				<b>14,451.24</b>	<b>14,451.24</b>	<b>4,957.21</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19,408.45</b>	<b>19,408.45</b>	<b>0.00</b>	<b>0.00</b>
GNMA	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	11,800,498.67	11,800,498.67			(30,765.33)		11,769,733.34	11,769,733.34	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	135,440.07	135,440.07	177,849.26				313,289.33	313,289.33	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	11/01/10	12/01/10	3,586.24	3,586.24	0.09				3,586.33	3,586.33	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	11/01/10	12/01/10	4,162.06	4,162.06	0.11				4,162.17	4,162.17	-	0.00
	<b>2005 MF Prairie Ranch Total</b>				<b>11,943,687.04</b>	<b>11,943,687.04</b>	<b>177,849.46</b>	<b>0.00</b>	<b>(30,765.33)</b>	<b>0.00</b>	<b>12,090,771.17</b>	<b>12,090,771.17</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF St. Augustine	0.00	11/01/10	12/01/10	0.05	0.05	0.00				0.05	0.05	-	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/10	12/01/10	6,791.84	6,791.84	20,569.10				27,380.94	27,380.94	-	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/10	12/01/10	10,786.85	10,786.85		(8,587.13)			2,199.72	2,199.72	-	0.00
Money Market	2005 MF St. Augustine	0.00	11/01/10	12/01/10	12.50	12.50	0.16				12.66	12.66	-	0.00
	<b>2005 MF St. Augustine Total</b>				<b>17,591.24</b>	<b>17,591.24</b>	<b>20,569.26</b>	<b>(8,587.13)</b>	<b>0.00</b>	<b>0.00</b>	<b>29,593.37</b>	<b>29,593.37</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2005 MF Park Manor	0.00	11/01/10	12/01/10	50,101.36	50,101.36		(5,219.19)			44,882.17	44,882.17	-	0.00
Money Market	2005 MF Park Manor	0.00	11/01/10	12/01/10	60,122.86	60,122.86		(57,929.01)			2,193.85	2,193.85	-	0.00
Money Market	2005 MF Park Manor	0.00	11/01/10	12/01/10	176.97	176.97	7,323.26				7,500.23	7,500.23	-	0.00
	<b>2005 MF Park Manor Total</b>				<b>110,401.19</b>	<b>110,401.19</b>	<b>7,323.26</b>	<b>(63,148.20)</b>	<b>0.00</b>	<b>0.00</b>	<b>54,576.25</b>	<b>54,576.25</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Pr Mockingbird	0.01	11/01/10	12/01/10	24,544.97	24,544.97	839.55				25,384.52	25,384.52	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/10	12/01/10	85,107.59	85,107.59	38,714.28				123,821.87	123,821.87	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/10	12/01/10	102,793.60	102,793.60	1.93				102,795.53	102,795.53	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	11/01/10	12/01/10	12,730.62	12,730.62	6,031.60				18,762.22	18,762.22	-	0.00
	<b>2005 MF Pr Mockingbird Total</b>				<b>225,176.78</b>	<b>225,176.78</b>	<b>45,567.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>270,764.14</b>	<b>270,764.14</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2005 MF Pt @ Chase Oaks	0.00	11/01/10	12/01/10	411.19	411.19	0.00				411.19	411.19	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
Money Market	2005 MF PI @ Chase Oaks	0.00	11/01/10	12/01/10	120.07	120.07	0.00				120.07	120.07	-	0.00
	2005 MF PI @ Chase Oaks Total				531.26	531.26	0.00	0.00	0.00	0.00	531.26	531.26	0.00	0.00
Money Market	2005 MF Canal Place	0.01	11/01/10	12/01/10	29,915.82	29,915.82		(15,690.22)			14,225.60	14,225.60	-	0.00
Money Market	2005 MF Canal Place	0.01	11/01/10	12/01/10	107,359.68	107,359.68		(1,716.87)			105,642.81	105,642.81	-	0.00
Money Market	2005 MF Canal Place	0.01	11/01/10	12/01/10	0.61	0.61		(0.40)			0.21	0.21	-	0.00
Money Market	2005 MF Canal Place	0.01	11/01/10	12/01/10	51,600.49	51,600.49	5,623.11				57,223.60	57,223.60	-	0.00
	2005 MF Canal Place Total				188,876.60	188,876.60	5,623.11	(17,407.49)	0.00	0.00	177,092.22	177,092.22	0.00	0.00
Money Market	2006 MF Coral Hills	0.02	11/01/10	12/01/10	57,200.23	57,200.23	81,170.87				138,371.10	138,371.10	-	0.00
Money Market	2006 MF Coral Hills	0.02	11/01/10	12/01/10	504.95	504.95	0.00				504.95	504.95	-	0.00
	2006 MF Coral Hills Total				57,705.18	57,705.18	81,170.87	0.00	0.00	0.00	138,876.05	138,876.05	0.00	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/10	12/01/10	72,162.96	72,162.96		(53,306.84)			18,856.12	18,856.12	-	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/10	12/01/10	4,735.10	4,735.10	0.12				4,735.22	4,735.22	-	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/10	12/01/10	30,502.33	30,502.33		(5,367.46)			25,134.87	25,134.87	-	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/10	12/01/10	3,557.17	3,557.17	0.09				3,557.26	3,557.26	-	0.00
Money Market	2006 MF Harris Branch	0.01	11/01/10	12/01/10	17,340.54	17,340.54	1.12				17,341.66	17,341.66	-	0.00
	2006 MF Harris Branch Total				128,298.10	128,298.10	1.33	(58,674.30)	0.00	0.00	69,625.13	69,625.13	0.00	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	56,018.14	56,018.14		(45,334.65)			10,683.49	10,683.49	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	0.10	0.10	0.00				0.10	0.10	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	240,475.29	240,475.29	6.06				240,481.35	240,481.35	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	18,750.23	18,750.23	7,500.51				26,250.74	26,250.74	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	171,792.18	171,792.18	3,460.43	(137,244.59)			34,547.59	34,547.59	-	0.00
Money Market	2006 MF Bella Vista	0.01	11/01/10	12/01/10	7,017.71	7,017.71					10,478.14	10,478.14	-	0.00
	2006 MF Bella Vista Total				494,053.65	494,053.65	10,967.00	(182,579.24)	0.00	0.00	322,441.41	322,441.41	0.00	0.00
Money Market	2006 MF Village Park	0.02	11/01/10	12/01/10	2,884.86	2,884.86		(2,742.86)			142.00	142.00	-	0.00
Money Market	2006 MF Village Park	0.02	11/01/10	12/01/10	196,751.81	196,751.81	170,452.83				367,204.64	367,204.64	-	0.00
	2006 MF Village Park Total				199,636.67	199,636.67	170,452.83	(2,742.86)	0.00	0.00	367,346.64	367,346.64	0.00	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/10	12/01/10	12,180.50	12,180.50	6,090.10				18,270.60	18,270.60	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/10	12/01/10	95,079.29	95,079.29	12,400.90				107,480.19	107,480.19	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/10	12/01/10	80,636.96	80,636.96		(0.01)			80,636.95	80,636.95	-	0.00
Money Market	2006 MF Oakmoor	0.00	11/01/10	12/01/10	235,318.42	235,318.42		(8,934.62)			226,383.80	226,383.80	-	0.00
	2006 MF Oakmoor Total				423,215.17	423,215.17	18,491.00	(8,934.63)	0.00	0.00	432,771.54	432,771.54	0.00	0.00
Money Market	2006 MF Hillcrest	0.02	11/01/10	12/01/10	338,086.15	338,086.15		(192,214.51)			145,871.64	145,871.64	-	0.00
	2006 MF Hillcrest Total				338,086.15	338,086.15	0.00	(192,214.51)	0.00	0.00	145,871.64	145,871.64	0.00	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/10	12/01/10	134,784.28	134,784.28		(9,156.27)			125,628.01	125,628.01	-	0.00
Mutual Fund	2006 MF Pleasant Village	0.00	11/01/10	12/01/10	36,421.59	36,421.59		(14,001.57)			22,420.02	22,420.02	-	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/10	12/01/10	44,781.95	44,781.95		(19,640.05)			25,141.90	25,141.90	-	0.00
Money Market	2006 MF Pleasant Village	0.00	11/01/10	12/01/10	36,295.12	36,295.12	0.00				36,295.12	36,295.12	-	0.00
	2006 MF Pleasant Village Total				252,282.94	252,282.94	0.00	(42,797.89)	0.00	0.00	209,485.05	209,485.05	0.00	0.00
Money Market	2006 MF Grove Village	0.00	11/01/10	12/01/10	144,216.32	144,216.32		(5,278.08)			138,938.24	138,938.24	-	0.00
Money Market	2006 MF Grove Village	0.00	11/01/10	12/01/10	172,903.09	172,903.09		(146,288.25)			26,614.84	26,614.84	-	0.00
Money Market	2006 MF Grove Village	0.00	11/01/10	12/01/10	28,615.70	28,615.70		(9,613.33)			19,002.37	19,002.37	-	0.00
Money Market	2006 MF Grove Village	0.00	11/01/10	12/01/10	2.61	2.61	0.00				2.61	2.61	-	0.00
Money Market	2006 MF Grove Village	0.00	11/01/10	12/01/10	37,383.97	37,383.97	0.00				37,383.97	37,383.97	-	0.00
	2006 MF Grove Village Total				383,121.69	383,121.69	0.00	(161,179.66)	0.00	0.00	221,942.03	221,942.03	0.00	0.00
Money Market	2006 MF Red Hills	0.01	11/01/10	12/01/10	27,692.72	27,692.72		(11,896.75)			15,795.97	15,795.97	-	0.00
Money Market	2006 MF Red Hills	0.01	11/01/10	12/01/10	51,191.04	51,191.04	11,825.32				63,016.36	63,016.36	-	0.00
Money Market	2006 MF Red Hills	0.01	11/01/10	12/01/10	7.85	7.85	0.53				8.38	8.38	-	0.00
	2006 MF Red Hills Total				78,891.61	78,891.61	11,825.35	(11,896.75)	0.00	0.00	78,820.71	78,820.71	0.00	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/10	12/01/10	97.87	97.87	0.00				97.87	97.87	-	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/10	12/01/10	25,241.99	25,241.99		(10,547.77)			14,694.22	14,694.22	-	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/10	12/01/10	60,374.13	60,374.13	18,692.58				79,066.71	79,066.71	-	0.00
Money Market	2006 MF Champion Crossing	0.01	11/01/10	12/01/10	7.34	7.34	0.49				7.83	7.83	-	0.00
	2006 MF Champion Crossing Total				85,721.33	85,721.33	18,693.07	(10,547.77)	0.00	0.00	93,866.63	93,866.63	0.00	0.00
Money Market	2006 MF Stonehaven	0.01	11/01/10	12/01/10	87,482.40	87,482.40		(80,547.18)			6,935.22	6,935.22	-	0.00
	2006 MF Stonehaven Total				87,482.40	87,482.40	0.00	(80,547.18)	0.00	0.00	6,935.22	6,935.22	0.00	0.00
Money Market	2006 MF Center Ridge	0.02	11/01/10	12/01/10	79.60	79.60	0.00				79.60	79.60	-	0.00
Money Market	2006 MF Center Ridge	0.02	11/01/10	12/01/10	11,558.33	11,558.33	0.00				11,558.33	11,558.33	-	0.00
	2006 MF Center Ridge Total				11,637.93	11,637.93	0.00	0.00	0.00	0.00	11,637.93	11,637.93	0.00	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/10	12/01/10	462,946.34	462,946.34	0.00				462,946.34	462,946.34	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/10	12/01/10	55,626.91	55,626.91		(27,896.45)			27,730.46	27,730.46	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/10	12/01/10	98,736.63	98,736.63		(22.40)			98,714.23	98,714.23	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Money Market	2006 MF Meadowlands	0.01	11/01/10	12/01/10	164,693.97	164,693.97	72,186.87				236,880.84	236,880.84	-	0.00
Money Market	2006 MF Meadowlands	0.01	11/01/10	12/01/10	67,456.62	67,456.62	12,153.99				79,610.61	79,610.61	-	0.00
	<b>2006 MF Meadowlands Total</b>				<b>849,460.47</b>	<b>849,460.47</b>	<b>84,340.86</b>	<b>(27,918.85)</b>	<b>0.00</b>	<b>0.00</b>	<b>905,882.48</b>	<b>905,882.48</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF East Texas Pines	0.01	11/01/10	12/01/10	22,955.97	22,955.97		(16,068.60)			6,887.37	6,887.37	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/10	12/01/10	219,565.01	219,565.01		(23,247.78)			196,217.23	196,217.23	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/10	12/01/10	399,583.37	399,583.37		(254,020.17)			145,563.20	145,563.20	-	0.00
Money Market	2006 MF East Texas Pines	0.01	11/01/10	12/01/10	140,719.67	140,719.67	15,628.56				156,348.23	156,348.23	-	0.00
	<b>2006 MF East Texas Pines Total</b>				<b>782,824.02</b>	<b>782,824.02</b>	<b>15,628.56</b>	<b>(293,436.55)</b>	<b>0.00</b>	<b>0.00</b>	<b>505,016.03</b>	<b>505,016.03</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Villas at Henderson	0.01	11/01/10	12/01/10	61,010.64	61,010.64		(6,952.36)			54,058.28	54,058.28	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/10	12/01/10	19.00	19.00	0.00				19.00	19.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/10	12/01/10			175,000.00				175,000.00	175,000.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	11/01/10	12/01/10	20,393.45	20,393.45		(5,924.07)			14,469.38	14,469.38	-	0.00
	<b>2006 MF Villas at Henderson Total</b>				<b>81,423.09</b>	<b>81,423.09</b>	<b>175,000.00</b>	<b>(12,876.43)</b>	<b>0.00</b>	<b>0.00</b>	<b>243,546.66</b>	<b>243,546.66</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Aspen Parks Apts	0.00	11/01/10	12/01/10	126,048.76	126,048.76	147,161.29				273,210.05	273,210.05	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	11/01/10	12/01/10	13,300.01	13,300.01		(13,234.95)			65.06	65.06	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	11/01/10	12/01/10	35,730.99	35,730.99	0.12				35,731.11	35,731.11	-	0.00
	<b>2006 MF Aspen Parks Apts Total</b>				<b>175,079.76</b>	<b>175,079.76</b>	<b>147,161.41</b>	<b>(13,234.95)</b>	<b>0.00</b>	<b>0.00</b>	<b>309,006.22</b>	<b>309,006.22</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2006 MF Idlewild Apts	0.01	11/01/10	12/01/10	25,913.40	25,913.40		(14,954.77)			10,958.63	10,958.63	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	11/01/10	12/01/10	11,161.10	11,161.10	32,153.03				43,314.13	43,314.13	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	11/01/10	12/01/10	0.98	0.98	0.70				1.68	1.68	-	0.00
Money Market	2006 MF Idlewild Apts	0.01	11/01/10	12/01/10	0.79	0.79	0.18				0.97	0.97	-	0.00
	<b>2006 MF Idlewild Apts Total</b>				<b>37,076.27</b>	<b>37,076.27</b>	<b>32,153.91</b>	<b>(14,954.77)</b>	<b>0.00</b>	<b>0.00</b>	<b>54,275.41</b>	<b>54,275.41</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Landcaster Apts	0.01	11/01/10	12/01/10	24,813.82	24,813.82	4,896.90				29,710.72	29,710.72	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/10	12/01/10	888.02	888.02	0.00				888.02	888.02	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/10	12/01/10	11,161.10	11,161.10	32,153.03				43,314.13	43,314.13	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/10	12/01/10	1,701.44	1,701.44	0.73				1,702.17	1,702.17	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	11/01/10	12/01/10	0.79	0.79	0.18				0.97	0.97	-	0.00
	<b>2007 MF Landcaster Apts Total</b>				<b>38,565.17</b>	<b>38,565.17</b>	<b>37,050.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>75,616.01</b>	<b>75,616.01</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Park Place	0.01	11/01/10	12/01/10	50,402.34	50,402.34		(33,904.32)			16,498.02	16,498.02	-	0.00
Money Market	2007 MF Park Place	0.01	11/01/10	12/01/10	822,100.74	822,100.74		(822,100.74)					-	0.00
Money Market	2007 MF Park Place	0.01	11/01/10	12/01/10	114,120.95	114,120.95	57,534.35				171,655.30	171,655.30	-	0.00
Money Market	2007 MF Park Place	0.01	11/01/10	12/01/10	22,226.17	22,226.17	6,075.79				28,301.96	28,301.96	-	0.00
	<b>2007 MF Park Place Total</b>				<b>1,008,850.20</b>	<b>1,008,850.20</b>	<b>63,610.14</b>	<b>(856,005.06)</b>	<b>0.00</b>	<b>0.00</b>	<b>216,455.28</b>	<b>216,455.28</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/10	12/01/10	80,453.72	80,453.72	19,656.33				100,109.05	100,109.05	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/10	12/01/10	0.02	0.02	0.01				0.03	0.03	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/10	12/01/10	26,915.26	26,915.26	0.68				26,915.94	26,915.94	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	11/01/10	12/01/10	33,296.07	33,296.07		(16,073.78)			17,222.29	17,222.29	-	0.00
	<b>2007 MF Terrace @ Cibolo Total</b>				<b>140,665.07</b>	<b>140,665.07</b>	<b>19,656.02</b>	<b>(16,073.78)</b>	<b>0.00</b>	<b>0.00</b>	<b>144,247.31</b>	<b>144,247.31</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Santora Villas	0.01	11/01/10	12/01/10	128,754.92	128,754.92	53,845.29				182,600.21	182,600.21	-	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/10	12/01/10	25,600.69	25,600.69	5,168.44				30,769.13	30,769.13	-	0.00
Money Market	2007 MF Santora Villas				0.30	0.30		(0.30)					-	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/10	12/01/10	1,161,718.20	1,161,718.20		(1,003,203.05)			158,515.15	158,515.15	-	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/10	12/01/10	86,757.79	86,757.79		(4,833.03)			81,924.76	81,924.76	-	0.00
Money Market	2007 MF Santora Villas	0.01	11/01/10	12/01/10	22,375.50	22,375.50	5,000.28				27,375.78	27,375.78	-	0.00
	<b>2007 MF Santora Villas Total</b>				<b>1,425,207.40</b>	<b>1,425,207.40</b>	<b>64,014.01</b>	<b>(1,008,036.38)</b>	<b>0.00</b>	<b>0.00</b>	<b>481,185.03</b>	<b>481,185.03</b>	<b>0.00</b>	<b>0.00</b>
GNMA	2007 A/B MF Villas @ Mesquite	5.17	04/29/07	07/20/47	16,820,037.80	16,820,037.80			(37,130.18)		16,782,907.62	16,782,907.62	-	0.00
GNMA	2007 A/B MF Villas @ Mesquite	4.78	08/23/07	07/20/47	118,236.33	118,236.33	251,625.76				369,862.09	369,862.09	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	11/01/10	12/01/10	5,476.55	5,476.55		(2,519.90)			2,956.65	2,956.65	-	0.00
	<b>2007 A/B MF Villas @ Mesquite Total</b>				<b>16,943,750.68</b>	<b>16,943,750.68</b>	<b>251,625.76</b>	<b>(2,519.90)</b>	<b>(37,130.18)</b>	<b>0.00</b>	<b>17,155,726.36</b>	<b>17,155,726.36</b>	<b>0.00</b>	<b>0.00</b>
GNMA	2007 MF Summit Point	5.32	10/01/10	06/15/47			9,438,671.42				9,438,671.42	9,438,671.42	-	0.00
Money Market	2007 MF Summit Point	0.00	11/01/10	12/01/10	93,651.14	93,651.14	298,591.75				392,242.89	392,242.89	-	0.00
GNMA	2007 MF Summit Point				11,674,248.00	11,674,248.00			(11,674,248.00)				-	0.00
Money Market	2007 MF Summit Point				51,755.81	51,755.81		(51,755.81)					-	0.00
	<b>2007 MF Summit Point Total</b>				<b>11,819,654.95</b>	<b>11,819,654.95</b>	<b>9,737,263.17</b>	<b>(51,755.81)</b>	<b>(11,674,248.00)</b>	<b>0.00</b>	<b>9,830,914.31</b>	<b>9,830,914.31</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Costa Rialto	0.01	11/01/10	12/01/10	0.01	0.01	0.00				0.01	0.01	-	0.00
Money Market	2007 MF Costa Rialto	0.01	11/01/10	12/01/10	0.12	0.12	0.07				0.19	0.19	-	0.00
	<b>2007 MF Costa Rialto Total</b>				<b>0.13</b>	<b>0.13</b>	<b>0.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.20</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>
Money Market	2007 MF Windshire Apts	0.01	11/01/10	12/01/10	7,735.66	7,735.66	5,851.53				13,587.19	13,587.19	-	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/10	12/01/10	4.45	4.45	0.14				4.59	4.59	-	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/10	12/01/10	102,941.15	102,941.15		(73,170.85)			29,770.30	29,770.30	-	0.00
Money Market	2007 MF Windshire Apts	0.01	11/01/10	12/01/10	566.39	566.39	0.22				566.61	566.61	-	0.00
	<b>2007 MF Windshire Apts Total</b>				<b>111,247.65</b>	<b>111,247.65</b>	<b>5,851.89</b>	<b>(73,170.85)</b>	<b>0.00</b>	<b>0.00</b>	<b>43,928.69</b>	<b>43,928.69</b>	<b>0.00</b>	<b>0.00</b>

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Money Market	2007 MF Residences @ Onion Crk	0.00	11/01/10	12/01/10	0.00	0.00	5,179.08	0.00	0.00	0.00	5,179.08	5,179.08	-	0.00
	<b>2007 MF Residences @ Onion Crk Total</b>				0.00	0.00	5,179.08	0.00	0.00	0.00	5,179.08	5,179.08	0.00	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/10	12/01/10	70.95	70.95	0.00				70.95	70.95	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/10	12/01/10	0.03	0.03	0.05				0.08	0.08	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/10	12/01/10	0.08	0.08	89.99				90.07	90.07	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/10	12/01/10	302.06	302.06	86.27				388.33	388.33	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	11/01/10	12/01/10	4,965.18	4,965.18	0.64				4,965.82	4,965.82	-	0.00
	<b>2008 MF West Oaks Apts Total</b>				5,338.30	5,338.30	176.95	0.00	0.00	0.00	5,515.25	5,515.25	0.00	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/10	12/01/10	1.69	1.69	0.00				1.69	1.69	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/10	12/01/10	295.65	295.65		(295.45)			0.20	0.20	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/10	12/01/10	45,404.96	45,404.96	18.91				45,423.87	45,423.87	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	11/01/10	12/01/10	90,815.94	90,815.94	37.84				90,853.78	90,853.78	-	0.00
	<b>2008 MF Costa Ibiza Apts Total</b>				136,518.24	136,518.24	56.75	(295.45)	0.00	0.00	136,279.54	136,279.54	0.00	0.00
Money Market	2008 MF Addison Park Apts	0.01	11/01/10	12/01/10	2.66	2.66	0.59				3.25	3.25	-	0.00
Mutual Fund	2008 MF Addison Park Apts	0.01	11/01/10	12/01/10	112,953.05	112,953.05		(82,514.24)			30,438.81	30,438.81	-	0.00
Money Market	2008 MF Addison Park Apts	0.01	11/01/10	12/01/10	8,543.28	8,543.28	1,172.13				9,715.41	9,715.41	-	0.00
	<b>2008 MF Addison Park Apts Total</b>				121,498.99	121,498.99	1,172.72	(82,514.24)	0.00	0.00	40,157.47	40,157.47	0.00	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	11/01/10	12/01/10	0.49	0.49	2.31				2.80	2.80	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	11/01/10	12/01/10	49,419.32	49,419.32		(9,433.32)			39,986.00	39,986.00	-	0.00
	<b>2008 MF Alta Cullen Ref Total</b>				49,419.81	49,419.81	2.31	(9,433.32)	0.00	0.00	39,988.80	39,988.80	0.00	0.00
Money Market	2009 MF Costa Mariposa	0.01	11/01/10	12/01/10	21,014.49	21,014.49		(14,984.22)			6,030.27	6,030.27	-	0.00
GIC's	2009 MF Costa Mariposa				177.52	177.52		(177.52)					-	0.00
Money Market	2009 MF Costa Mariposa	0.01	11/01/10	12/01/10	0.02	0.02	0.01				0.03	0.03	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	11/01/10	12/01/10	0.06	0.06	327,522.92				327,522.98	327,522.98	-	0.00
GIC's	2009 MF Costa Mariposa				772.81	772.81		(772.81)					-	0.00
	<b>2009 MF Costa Mariposa Total</b>				21,964.90	21,964.90	327,522.93	(15,934.55)	0.00	0.00	333,553.28	333,553.28	0.00	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/10	12/01/10	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/10	12/01/10			3,789.05				3,789.05	3,789.05	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/10	12/01/10	822,112.17	822,112.17		(660,858.33)			161,253.84	161,253.84	-	0.00
Money Market	2009 MF Woodmont Apts	0.01	11/01/10	12/01/10			590.00				590.00	590.00	-	0.00
	<b>2009 MF Woodmont Apts Total</b>				822,112.34	822,112.34	4,379.05	(660,858.33)	0.00	0.00	165,633.06	165,633.06	0.00	0.00
<b>Total Multi-Family Investment Summary</b>					93,351,185.71	93,351,185.71	16,024,083.94	(6,869,508.44)	(11,811,389.18)	0.00	90,694,372.02	90,694,372.02	0.00	0.00

Texas Department of Housing and Community Affairs  
 General Fund Investment Summary  
 For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	1,444,013.66	1,444,013.66	162,057.40				1,606,071.06	1,606,071.06	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	225,950.70	225,950.70	106.39				226,057.09	226,057.09	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	713,849.04	713,849.04			(511,019.52)		202,829.52	202,829.52	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	21,957.21	21,957.21	25,800.98				47,758.19	47,758.19	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	502,115.05	502,115.05	11.31				502,126.36	502,126.36	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	50.00	50.00	50.00				100.00	100.00	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	1,065.50	1,065.50	2,118.21				3,183.71	3,183.71	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	155,654.42	155,654.42	169,672.69				325,327.11	325,327.11	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	345,393.16	345,393.16	152.63				345,555.79	345,555.79	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	428,124.66	428,124.66	201.48				428,326.14	428,326.14	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	1,496,211.38	1,496,211.38	270,577.31				1,766,788.69	1,766,788.69	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	198,725.73	198,725.73			(556.51)		198,169.22	198,169.22	-	0.00
Commercial Paper	General Fund	0.29	09/08/10	03/03/11			5,003,289.26				5,003,289.26	5,003,289.26	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	5,000,000.00	5,000,000.00		(4,999,901.19)			98.81	98.81	-	0.00
Repo Agmt	General Fund	0.20	11/30/10	12/01/10	736,834.12	736,834.12	457,535.25				1,194,369.37	1,194,369.37	-	0.00
	<b>General Fund Total</b>				<b>11,269,944.63</b>	<b>11,269,944.63</b>	<b>6,091,582.91</b>	<b>(5,511,477.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>11,850,050.32</b>	<b>11,850,050.32</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total General Fund Investment Summary</b>				<b>11,269,944.63</b>	<b>11,269,944.63</b>	<b>6,091,582.91</b>	<b>(5,511,477.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>11,850,050.32</b>	<b>11,850,050.32</b>	<b>0.00</b>	<b>0.00</b>

Texas Department of Housing and Community Affairs  
Housing Trust Fund Investment Summary  
For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	0.20	11/30/10	12/01/10	252,659.11	252,659.11	6,447.60				259,106.71	259,106.71	-	0.00
Repo Agmt	Housing Trust Fund				250,000.00	250,000.00		(250,000.00)					-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	33,384.59	33,384.59	0.00				33,384.59	33,384.59	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	203,915.10	203,915.10	27,140.25				231,055.35	231,055.35	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	522,858.12	522,858.12	905.16				523,763.28	523,763.28	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	134,816.01	134,816.01	3,148.25				137,964.26	137,964.26	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	97,235.86	97,235.86	22.52				97,258.38	97,258.38	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	253,152.70	253,152.70	18,143.41				271,296.11	271,296.11	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	91,214.99	91,214.99	19.91				91,234.90	91,234.90	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	251,094.15	251,094.15		(18,565.56)			232,528.59	232,528.59	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	400,904.70	400,904.70		(70,789.28)			330,115.42	330,115.42	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	20,451.00	20,451.00		(20,327.00)			124.00	124.00	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	761,961.81	761,961.81		(246,297.66)			515,664.15	515,664.15	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10			253,768.00				253,768.00	253,768.00	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	2,061,993.30	2,061,993.30	31,899.33				2,093,892.63	2,093,892.63	-	0.00
Repo Agmt	Housing Trust Fund	0.20	11/30/10	12/01/10	277,997.48	277,997.48		(20,843.36)			257,154.12	257,154.12	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10			5,500,718.82				5,500,718.82	5,500,718.82	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10	618,687.12	618,687.12	207,796.55				826,483.67	826,483.67	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10	706,169.21	706,169.21	296,642.98				1,002,812.19	1,002,812.19	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10	2,892,981.67	2,892,981.67	3,221,731.70				6,114,713.37	6,114,713.37	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10	834,000.00	834,000.00	0.00				834,000.00	834,000.00	-	0.00
Repo Agmt	General Revenue Appn	0.20	11/30/10	12/01/10	1,479,715.38	1,479,715.38		(51,325.93)			968,389.45	968,389.45	-	0.00
Repo Agmt	Disaster Recover - GR	0.20	11/30/10	12/01/10	177,450.14	177,450.14		(24,332.14)			153,118.00	153,118.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10			140,250.00				140,250.00	140,250.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10	546,000.00	546,000.00	0.00				546,000.00	546,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10	420,000.00	420,000.00	0.00				420,000.00	420,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10	715,019.00	715,019.00		(42,515.80)			672,503.20	672,503.20	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10	888,608.38	888,608.38		(116,500.00)			772,108.38	772,108.38	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.20	11/30/10	12/01/10	1,900,000.00	1,900,000.00		(2,235.61)			1,897,764.39	1,897,764.39	-	0.00
Repo Agmt	Bootstrap-GR	0.20	11/30/10	12/01/10			641,082.44				641,082.44	641,082.44	-	0.00
Repo Agmt	Bootstrap-GR	0.20	11/30/10	12/01/10	14,846.49	14,846.49	0.00				14,846.49	14,846.49	-	0.00
Repo Agmt	Bootstrap-GR				261,076.70	261,076.70		(261,076.70)					-	0.00
Repo Agmt	Bootstrap-GR				963,114.52	963,114.52		(963,114.52)					-	0.00
Repo Agmt	Bootstrap-GR	0.20	11/30/10	12/01/10	3,133,593.55	3,133,593.55		(667,597.84)			2,445,995.71	2,445,995.71	-	0.00
Repo Agmt	Bootstrap-GR	0.20	11/30/10	12/01/10			540,000.00				540,000.00	540,000.00	-	0.00
<b>Housing Trust Fund Total</b>					<b>21,164,902.08</b>	<b>21,164,902.08</b>	<b>10,889,716.92</b>	<b>(3,235,521.40)</b>	<b>0.00</b>	<b>0.00</b>	<b>28,819,097.60</b>	<b>28,819,097.60</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Housing Trust Fund Investment Summary</b>					<b>21,164,902.08</b>	<b>21,164,902.08</b>	<b>10,889,716.92</b>	<b>(3,235,521.40)</b>	<b>0.00</b>	<b>0.00</b>	<b>28,819,097.60</b>	<b>28,819,097.60</b>	<b>0.00</b>	<b>0.00</b>

Texas Department of Housing and Community Affairs  
Administration Investment Summary  
For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change in Market Value	Recognized Gain
Repo Agmt	Administration	0.20	11/30/10	12/01/10	158,852.19	158,852.19	49.29	0.00	0.00	0.00	158,901.48	158,901.48	-	0.00
	Administration Total				158,852.19	158,852.19	49.29	0.00	0.00	0.00	158,901.48	158,901.48	0.00	0.00
Total Administration Investment Summary					158,852.19	158,852.19	49.29	0.00	0.00	0.00	158,901.48	158,901.48	0.00	0.00



Texas Department of Housing and Community Affairs  
 Compliance Investment Summary  
 For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	RTC	0.20	11/30/10	12/01/10	112,939.81	112,939.81	29.23				112,969.04	112,969.04	-	0.00
Repo Agmt	Multi Family	0.20	11/30/10	12/01/10	254,649.16	254,649.16	76.93				254,726.09	254,726.09	-	0.00
Repo Agmt	Multi Family	0.20	11/30/10	12/01/10	879,156.01	879,156.01	28,712.54				908,868.55	908,868.55	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.20	11/30/10	12/01/10	2,995,004.34	2,895,004.34		(52,400.25)			2,942,604.09	2,942,604.09	-	0.00
<b>Compliance Total</b>					<b>4,241,749.32</b>	<b>4,241,749.32</b>	<b>29,818.70</b>	<b>(52,400.25)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,219,167.77</b>	<b>4,219,167.77</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Compliance Investment Summary</b>					<b>4,241,749.32</b>	<b>4,241,749.32</b>	<b>29,818.70</b>	<b>(52,400.25)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,219,167.77</b>	<b>4,219,167.77</b>	<b>0.00</b>	<b>0.00</b>

Texas Department of Housing and Community Affairs  
Housing Initiatives Investment Summary  
For Period Ending November 30, 2010

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/10	Beginning Market Value 08/31/10	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 11/30/10	Ending Market Value 11/30/10	Change In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	0.20	11/30/10	12/01/10	537,319.93	537,319.93	195.89				537,515.82	537,515.82	-	0.00
Repo Agmt	S/F Interim Construction	0.20	11/30/10	12/01/10	197.66	197.66	0.01				197.67	197.67	-	0.00
Repo Agmt	S/F Interim Construction	0.20	11/30/10	12/01/10	7.26	7.26	0.00				7.26	7.26	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.20	11/30/10	12/01/10	417,780.91	417,780.91		(179,633.64)			238,147.27	238,147.27	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.20	11/30/10	12/01/10	8,388,805.53	8,388,805.53	583,473.51				8,972,279.04	8,972,279.04	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.20	11/30/10	12/01/10	379,900.66	379,900.66	5,625.50				385,526.16	385,526.16	-	0.00
Low Income Tax Credit Prog. Total					9,724,011.95	9,724,011.95	589,294.91	(179,633.64)	0.00	0.00	10,133,673.22	10,133,673.22	0.00	0.00
Total Housing Initiatives Investment Summary					9,724,011.95	9,724,011.95	589,294.91	(179,633.64)	0.00	0.00	10,133,673.22	10,133,673.22	0.00	0.00
Total Investment Summary					1,628,679,258.33	1,718,850,188.88	75,524,227.18	(102,757,469.88)	(45,836,733.83)	0.00	1,555,610,281.80	1,648,841,560.97	3,060,348.62	0.00

**HOUSING RESOURCE CENTER**

**BOARD ACTION REQUEST  
JANUARY 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action to approve the submittal of an application to the U.S. Department of Housing and Urban Development (HUD) for the Rural Innovation Fund Program.

WHEREAS, the U.S. Department of Housing and Urban Development has released a funding announcement for the Rural Innovation Fund Program,

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) may partner with the Texas State Affordable Housing Corporation (TSAHC) to prepare an application for these funds, and

RESOLVED, the Executive Director or his designee is hereby authorized on behalf of TDHCA to submit an application for funding, solely or in partnership with TSAHC or other appropriate state agencies or organizations, to the U.S. Department of Housing and Urban Development.

**Background**

On December 22<sup>nd</sup>, 2010, the U.S. Department of Housing and Urban Development (HUD) announced a Notice of Funding Availability (NOFA) for the Rural Innovation Fund. There is approximately \$25,750,000 available for the Rural Innovation Fund NOFA.

The purpose of the Rural Fund is to provide support for highly targeted and innovative grants dedicated to addressing the problems of concentrated rural housing distress and community poverty for projects that demonstrate a great likelihood of substantial impact in addressing the housing needs and community poverty in the project area.

Category 1, Single Purpose Grants or Comprehensive Grants, must address the need for highly targeted projects facing the problem of concentrated rural housing distress and/or community poverty in rural areas. HUD will award up to approximately \$20,750,000 for Single Purpose and Comprehensive Grants. The maximum amount that may be awarded to a successful Single Purpose Grant proposal is \$300,000. The maximum amount that may be awarded to a successful Comprehensive Grant proposal is \$2,000,000. An applicant under Category 1 may also include a technical assistance component to assist the applicant in undertaking a particular element of the program for which it lacks expertise. The technical assistance component may not exceed five (5) percent of the grant amount requested. Administrative costs are also limited to no more than ten (10) percent of the total grant. There is no match required under the Rural Fund program, however, points are awarded for matching funds.

Eligible Activities under Category 1 - Single Purpose Grants include:

- (1) The cost of using new or innovative construction, energy efficiency, or other measures that will result in the design or construction of unique economic development project or innovative housing;
- (2) Preparation of plans, architectural or engineering drawings;

- (3) Preparation of legal documents, government paperwork, and applications necessary for construction of housing and economic development activities;
- (4) Acquisition of land and buildings;
- (5) Demolition of property to permit construction or rehabilitation activities to occur;
- (6) Purchase of construction materials and construction labor;
- (7) Homeownership counseling, including such subjects as fair housing counseling, fair lending, and predatory lending counseling, credit counseling, budgeting, access to credit, and other federal assistance available;
- (8) Conducting conferences or meetings with other federal or state agencies, tribes, tribally designated housing entities (TDHE), or national or regional housing organizations, to inform residents of programs, rights, and responsibilities associated with home buying opportunities;
- (9) Establishing Community Development Financial Institutions (CDFIs), lines of credit, revolving loan funds, microenterprises, and small business incubators;
- (10) Provision of direct financial assistance to homeowners/businesses/developers for affordable housing assistance and/or for the creation, expansion, or retention of job and job opportunities, etc; and
- (11) Cost of technical assistance to assist the grantee in undertaking a particular element of the program for which it lacks specific expertise and is described in the project narrative.

Eligible Activities under Category 1 - Comprehensive Grants include:

- (1) Assistance to for-profit business to carry out an economic development project. Such assistance includes, but is not limited to, grants, loans, loan guarantees, interest write-down subsidies, capitalization of revolving loan programs for assistance to for-profit businesses, establishment of peer-to-peer lending business lending group, establishment of a business incubator, and other business planning and development activities; and
- (2) Necessary infrastructure that is essential to the applicant's proposed comprehensive concentrated area housing and economic development program.

Staff recommends TDHCA be authorized to apply to the US Department of Housing and Urban Development for the Rural Innovation Fund prior to the February, 22, 2011 deadline.

**HOUSING RESOURCE CENTER**

**BOARD ACTION REQUEST**

**JANUARY 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action to approve the submittal of an application to the Centers for Medicare and Medicaid Services (CMS) via the Department of Aging and Disability Services to request administrative funding to support the housing efforts of Texas' Money Follows the Person Demonstration Program.

WHEREAS, Centers for Medicare and Medicaid Services (CMS) has funds for administrative activities related to Money Follows the Person Demonstration Program,

WHEREAS, the Texas Department Housing and Community Affairs (TDHCA) currently partners with the Texas Department of Aging and Disability Services (DADS) to support the housing efforts of the Money Follows the Person Demonstration Program,

RESOLVED, the Executive Director or his designee is hereby authorized on behalf of the Texas Department Housing and Community Affairs (TDHCA) to submit an application for funding, in tandem with Department of Aging and Disability Services (DADS) to Centers for Medicare and Medicaid Services and to revise and edit as DADS may deem necessary or advisable to effectuate the foregoing.

The Texas Department Housing and Community Affairs (TDHCA) works closely with the Texas Department of Aging and Disability Services (DADS) to increase housing resources for individuals participating in the Money Follows the Person (MFP) Demonstration. The MFP Demonstration focuses on the relocation of individuals who are current residents of nursing facilities; intermediate care facilities for persons with mental retardation (ICF/MR); or of state supported living centers (SSLC) to transition into the community. The state of Texas was awarded a Demonstration Program in January 2007 worth approximately \$50 million in federal funding through 2016. Currently as a partner, TDHCA assists in achieving the housing benchmarks for the MFP Demonstration through its administration of Project Access vouchers.

DADS has invited TDHCA to join them in an application to the Centers for Medicare and Medicaid Services (CMS) for 100% administrative funds in support of the MFP Demonstration to support the housing efforts of the program. There are no matching funds required for these funds. The funds will be available on an annual basis through 2016 with a possibility of carry forward available through 2020. DADS will submit an application for these funds, and other administrative funds related to MFP, to CMS in early 2011. These positions will focus their efforts on administration of the Project Access program and outreach, marketing, and technical assistance regarding TDHCA housing programs to expand the affordable, accessible, and integrated housing stock for Demonstration participants.

TDHCA will submit a request for \$247,770 to include positions to be supervised by the Section 8 Manager and the HOME Director.

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, the tax credit award relating to Exchange 09993, Malibu Apartments was awarded by the Board based on certain premises, including the rehabilitation of 476 units in 21 buildings, with dishwashers in all units; and

**WHEREAS**, the owner is requesting that they not be required to install dishwashers in all units; and

**WHEREAS**, the owner is providing other amenities which it believes will compensate for this change; therefore

**BE IT RESOLVED**, that staff's recommendations regarding the approval of amendments relating to Application # 09993, Malibu Apartments be and hereby are approved as presented to this meeting

**Background**

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request: The development owner is requesting approval to forgo installing dishwashers in each unit, which was a threshold item the applicant certified would be provided. The owner stated that there is limited cabinet space in the kitchens, and the dishwashers would either block or absorb substantial cabinet space. The owner's request cited this Board's decision on March 11, 2010 approving a similar amendment for TDHCA# 04609, Creekside Villas (see transcript provided). Additionally the owner asks that the Board Members consider that the 2011 QAP exempts rehabilitation projects from having to provide dishwashers if they were not originally in the units. It should also be noted that the owner is making this request after the award but prior to completing the work.

The development owner has provided several amenities beyond what was committed at application, and not used for points. Controlled gate access has been added to the perimeter fencing for additional security, and a gazebo has been constructed which provides shade to the

playground and sitting area. The owner has also added a covered pavilion with barbeque grills and picnic tables to the swimming pool area. The owner has added a computer learning center, and community “Great Room” in the community building. Furthermore, a new Edwards Systems Technology (EST) fire alarm/life safety system has been installed for added safety, and includes 476 unit horns. Low-flow faucets and showerheads have been installed throughout the development, which is a direct cost saving amenity for tenants, as they pay for their own water service. Similarly, the owner installed 328 14 SEER HVAC units, which was not selected for points. Note that 148 units did not receive new HVAC units, because the previous owner had recently installed 148 4 SEER HVAC units, and did not need replacing. Finally, the owner demolished the mailbox area and instead constructed a mailbox pavilion adjacent to the clubhouse, which allows for better surveillance.

Pursuant to §50.17(d) of the Qualified Allocation Plan and Rules “If a proposed modification would materially alter a Development approved for an allocation of a Housing Tax Credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application... The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of Housing Tax Credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment...would materially alter the Development in a negative manner...Material alteration of a Development includes, but is not limited to...A substantive modification of the scope of tenant services....”

Therefore, an amendment to the application is necessary.

Owner:	TMG-TX Austin I LP
General Partner:	TMG Malibu GP LLC
Developers:	TMG Malibu GP LLC
Principals/Interested Parties:	The Mulholland Group LLC, Royce Mulholland
Syndicator:	N/A Exchange
Construction Lender:	Red Mortgage Capital LLC
Permanent Lender:	Red Mortgage Capital LLC
Other Funding:	Exchange Funding TDHCA/City of Austin Loan
City/County:	Austin/Travis
Set-Aside:	N/A
Type of Area:	Urban
Region:	7
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	476 HTC units
2009 Allocation:	\$2,000,000
Allocation per HTC Unit:	\$4,201
Prior Board Actions:	July 2009 – Approved award of tax credits/November 2009 – Approved Exchange award
REA Findings:	The amendment does not negatively impact the feasibility of the transaction and the previously awarded Housing Tax Credits and Exchange funds remain supported.



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## Memorandum

**To:** File

**From:** David Burrell,  
Real Estate Analysis ("REA")

**cc:** Valentin Deleon  
Multifamily Finance Production

**Date:** December 16, 2010

**Re:** Amendment Request for #09993/09159, Malibu Apartments, Austin, Texas

### Background

Malibu Apartments is a 476-unit acquisition/rehabilitation development located in Austin, Texas. The Applicant was awarded \$2,000,000 of tax credits in the 2009 Housing Tax Credit cycle. Subsequently, the Development was reevaluated and approved for an award of \$15,400,000 under the Tax Credit Exchange Program ("TCEP").

### Amendment Request

The Applicant has requested a waiver of the threshold requirement to include dishwashers in the unit renovations of the development. In exchange for the waiver, the Applicant proposes to substitute an enhanced community center mailbox pavilion and the installation of a fire alarm system and fire safety improvements. Dishwashers, although a threshold requirement in the QAP, are not currently present at this development. Although by filing a housing tax credit application, the Applicant agreed to provide this item in each of the units, the Architect did not include them in the renovation plans.

The Applicant made an attempt to install the dishwashers. During renovation of the first cluster of apartments it became clear to the Applicant that installation of dishwashers are physically problematic due to the kitchen configuration, the small kitchen sizes and the current lack of cabinet space in the units. Approximately 81% of the units are efficiency or one (1) bedroom units with identical kitchens that are very small at approximately 50 square feet each.

The Applicant proposes to substitute the demolition of the old mailboxes/kiosk with a newly designed mailbox pavilion constructed adjacent to the clubhouse that will provide an improved facility with more surveillance and better convenience and safety to tenants. Additionally, the Applicant is installing a new Edwards Systems Technology (EST) fire alarm/life safety system to cover the entire property which will enhance the safety of the property.




**Analysis**

Due to the small kitchens in the majority of the units, the removal of cabinet space in order to install dishwashers could prove more of a detriment to tenants than a benefit. Marketability of the units without dishwashers could be affected but the Underwriter has no ability to quantify any impact to potential rents. Some of the comparable properties do not have dishwashers.

The Applicant indicates that the cost of providing the dishwashers would be approximately \$238,000 while the cost of providing the enhanced pavilion and fire alarm life safety system will be equal to or greater than \$238,000. The Applicant's total development costs were within 5% of the Underwriter's estimate at the time of original underwriting for the 9% tax credit award and at the time of the Exchange application award. Final actual costs will be used in REA's analysis at Cost Certification. The installation of the additional amenities should be offset by savings on the dishwashers. Any overage can be funded through contingency and/or deferred developer fees.

**Conclusion**

The amendment does not negatively impact the feasibility of the transaction and the previously awarded Housing Tax Credits and Exchange funds remain supported.

 <b>TEXAS DEPARTMENT OF HOUSING &amp; COMMUNITY AFFAIRS</b> <i>Building Homes. Strengthening Communities.</i>		<b>TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</b> Real Estate Analysis Division Underwriting Report - Tax Credit Exchange / 9% HTC ADDENDUM	
<b>Development Name:</b>	Malibu Apartments	<b>Date:</b>	February 5, 2010
<b>Address:</b>	8600 N. Lamar	<b>FILE NUMBER:</b>	09993 / 09159
<b>City:</b>	Austin	<b>Population:</b>	Family
<b>County:</b>	Travis	<b>Activity:</b>	Acquisition / Rehab
		<b>Award Amount</b>	<b>Exchange Price</b>
<b>Request:</b>		\$15,400,000	\$0.77
<b>Recommendation:</b>		<b>\$15,400,000</b>	<b>\$0.77</b>
The recommended Tax Credit Exchange award amount was calculated using the previously awarded tax credit allocation.			
<b>Conditions to Recommendation</b>			
1 Should the terms and rates of the proposed financing change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted. 2 Any condition of previous underwriting reports that has not been satisfied remains a condition of this report.			
<b>Property Summary</b>			
<b># Units</b>	476	<b>Acreage:</b>	14.165
<b>Year Built</b>	1974	<b>Units/Acre:</b>	33.60
<b>Current Occupancy</b>	96%	<b>Flood Zone:</b>	No
<b>Number Buildings</b>	21	<b>Zoning:</b>	GR
<b>Units/Building</b>	22.67	<b>Stabilized DCR:</b>	1.29
The Applicant is now requesting to change the financing structure, including the return of the entire housing tax credit allocation for Tax Credit Exchange Program (Exchange) funds. The Subject development has qualified for a tax credit exchange price of \$0.77. There is no change in the unit set-asides.			
<b>TDHCA SET-ASIDES for LURA</b>			
	<b>Income Limit</b>	<b>Rent Limit</b>	<b>Number of Units</b>
	30% of AMI	30% of AMI	22
	50% of AMI	50% of AMI	193
	60% of AMI	60% of AMI	213
<b>Salient Issues</b>			
▫ None			
<b>Operating Pro Forma</b>			
Rents based on: Current 2009 HTC program gross rent limits less electric utility allowances maintained by the Austin Housing Authority as of December 2008. The Applicant is collecting on average \$37 per unit per month below maximum HTC rents. The Applicant has reported that the rent collected calculation resulted from the use of 2008 HUD rent limits and were a conservative estimate based on softening market conditions in the beginning of 2009.			

Tax Credit Exchange Program Asset Oversight Fee: The Underwriter's estimate includes an Exchange Asset Oversight Fee of \$50/unit/year, which the Applicant's estimate does not. If the fee was included in the Applicant's estimate, the Applicant's total expenses would still not be within 5% of the Underwriter's, and the Applicant's DCR would fall from 1.20 to 1.18 which remains acceptable.

Of note, the Applicant has included secondary income related to utility reimbursements. The Underwriter's analysis does not include this income (consistent with original underwriting). However, the Underwriter's utility expense estimate is significantly lower than the Applicant's, which effectively accounts for the utility reimbursement by utilizing a lower expense that can be considered to be net of reimbursements.

The Underwriter's year-one operating pro forma is used to determine the development's debt capacity because the Applicant's net operating income (NOI) is not within 5% of the Underwriter's projection. This is primarily due to the Applicant's estimate of \$35 per unit per month for secondary income resulting from laundry, cleaning, late fees, application fees, lease terminations, and utility reimbursements. The submitted historical operating expenses for September 2008 through August 2009 report \$41 per month in secondary income collected; however, the Underwriter used the maximum \$15 per unit per month for this analysis which is consistent with the previous underwriting report. Additionally, the Applicant is using a vacancy and collection loss estimate equivalent to -6.0% while the Underwriter is using the standard -7.5% loss which contributes to the differing NOI calculation.

The Applicant's submitted pro forma does meet current Department guidelines with regard to the DCR limit.

#### Uses of Funds/Scope of Work

Since the previous underwriting, the Applicant has not closed the purchase transaction and the contract has been extended to March 31, 2010. The acquisition cost reported by the Applicant has increased by \$1,383,645 to \$14,183,645 due to the inclusion of a defeasance fee. The Applicant included this fee in acquisition eligible basis. However, the Underwriter did not receive sufficient documentation to support the inclusion of the fee in acquisition basis. Therefore, the Underwriter's calculation of acquisition basis is based on the contract sales price of \$12,800,000. The exclusion of the defeasance fee (or a portion of the fee) from acquisition basis did not affect the recommended Exchange award amount, as there is sufficient eligible basis to support the previously awarded tax credit allocation without the inclusion of the fee in basis.

Direct construction and site work costs total \$11,776,954 as calculated from the original PCA with addendums. The Applicant has not changed their direct construction and site work cost estimates since the previous underwriting report. However, the Underwriter has revised the direct construction and site work cost calculations utilized within this analysis based on updates to the PCA provided by the Applicant. The resulting increase to the Underwriter's cost projections do not materially affect the recommendation of this report.

The Applicant's overall development costs have increase by \$2,581,503 since the previous application. Significant increases in costs are reported within the following line-items: acquisition cost increased \$1.38M, ineligible costs decreased \$342K, developer fee increased \$191K, interim financing expense increased \$233K, and reserve funds increase by \$1.12M.

Reserves: The Applicant provided support for reserves in the amount of \$1,548,457 by providing the budget submitted to FHA in connection with the 221(d)(4) pre-application. However, the Underwriter has used the standard six month operating reserve required by REA guidelines and the Exchange program.

An eligible basis of \$30,822,161 supports annual tax credits of \$2,268,977.

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant and particularly the revised PCA report. Any deviations from the Applicant's or PCA estimates are due to program and underwriting guidelines. Therefore, the Underwriter's PCA derived development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis.

#### Source of Funds

The exchange price of \$0.77 is \$0.03 higher than the syndication rate utilized during the most recent underwriting, resulting in a increase in proceeds created by the tax credit allocation.

Interim financing of \$705,000 from Capstone Real Estate, LLC has increased by \$5,000 since the previous application. The loan will have a 5% interest rate and a one year term.

Rockport Mortgage Company will provide construction period and permanent financing in the amount of \$15,000,000. The loan will have a fixed interest rate estimated to be 6.25% plus a 0.45% mortgage insurance premium for a total rate of 6.7%. The interest rate on the permanent loan will be determined based on market conditions at the time of rate lock. The permanent loan will have a 40 year term and amortization period.

The Applicant has also included as a permanent source \$1,047,020 of "Developer/Net Income for Year One." Because this source is an estimate that cannot be verified, the Underwriter's recommended financing structure does not include this source, but rather reflects this amount as additional deferred developer fee. The Underwriter's analysis indicates that there is ample developer fee and cash flow to support this assumption.

The Austin Housing Financing Corporation will still provide a \$3M loan for a term of 99 years, with repayment deferred on a yearly basis contingent on compliance requirements.

#### Underwriting Assumptions/Limiting Conditions

- Only those portions of the report that are materially affected by the proposed changes are discussed above. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

Underwriter:	<u>Colton Sanders</u>	Date:	<u>February 5, 2010</u>
Manager of Real Estate Analysis:	<u>Audrey Martin</u>	Date:	<u>February 5, 2010</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>	Date:	<u>February 5, 2010</u>

MULTIFAMILY COMPARATIVE ANALYSIS

Malibu Apartments, Austin, Tax Credit Exchange / 9% HTC #09993 / 09159

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30%	22	0	1	350	\$385	336		\$7,392	\$0.96	\$49	\$31
TC 50%	193	0	1	350	\$641	513		\$99,009	\$1.47	\$49	\$31
TC 60%	51	0	1	350	\$769	513		\$26,163	\$1.47	\$49	\$31
MR / 80%	5	0	1	350		513		\$2,565	\$1.47	\$49	\$31
MR	5	0	1	350		513		\$2,565	\$1.47	\$49	\$51
TC 60%	93	1	1	500	\$824	622		\$57,846	\$1.24	\$71	\$51
MR	19	1	1	500		622		\$11,818	\$1.24	\$71	\$51
TC 60%	69	2	1	750	\$990	757		\$52,233	\$1.01	\$93	\$61
MR	19	2	1	750		757		\$14,383	\$1.01	\$93	\$61
<b>TOTAL:</b>	<b>476</b>		<b>AVERAGE:</b>	<b>459</b>		<b>\$576</b>		<b>\$273,974</b>	<b>\$1.25</b>	<b>\$62.31</b>	<b>\$41.46</b>

**INCOME**

Total Net Rentable Sq Ft: **218,600**

POTENTIAL GROSS RENT			
Secondary Income: Laundry, Fees	Per Unit Per Month:	\$15.00	
Other Support Income: Utility Reimbursements			
POTENTIAL GROSS INCOME			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	
Employee or Other Non-Rental Units or Concessions			
<b>EFFECTIVE GROSS INCOME</b>			

TDHCA-Exchange	TDHCA - UW	APPLICATION	APPLICANT-Exchange	COUNTY	IREM REGION	COMPT. REGION
\$3,287,688	\$3,287,952	\$3,008,652	\$3,013,932	Travis	Austin	7
85,680	85,680	140,916	140,916	\$24.67	Per Unit Per Month	
0	0	59,976	59,976	\$10.50	Per Unit Per Month	
\$3,373,368	\$3,373,632	\$3,209,544	\$3,214,824	\$35.17		
(253,003)	(253,022)	(192,576)	(192,888)	-6.00%	of Potential Gross Income	
0	0	0	0			
\$3,120,365	\$3,120,610	\$3,016,968	\$3,021,936			

**EXPENSES**

	% OF EQI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EQI			
General & Administrative	2.82%	\$185	0.40	\$87,892	\$87,892	\$70,617	\$70,617	\$0.32	\$148	2.34%
Management	3.96%	259	0.56	123,501	119,557	112,000	112,000	0.51	235	3.71%
Payroll & Payroll Tax	12.58%	825	1.80	392,500	445,707	404,600	404,600	1.85	850	13.39%
Repairs & Maintenance	8.32%	545	1.19	259,468	276,181	268,100	268,100	1.23	563	8.87%
Utilities	2.85%	187	0.41	88,980	133,346	130,500	130,500	0.60	274	4.32%
Water, Sewer, & Trash	7.83%	513	1.12	244,415	221,808	289,500	289,500	1.32	608	9.58%
Property Insurance	2.06%	135	0.29	64,260	64,260	50,000	50,000	0.23	105	1.65%
Property Tax 2.1787	8.31%	545	1.19	259,265	259,265	253,860	253,860	1.16	533	8.40%
Reserve for Replacements	4.58%	300	0.65	142,800	142,800	142,800	142,800	0.65	300	4.73%
TDHCA Compliance Fees	0.61%	40	0.09	19,040	19,040	19,040	19,040	0.09	40	0.63%
TCEP Asset Oversight Fees	0.76%	50	0.11	23,800	0	0	0	0.00	0	0.00%
Other:	0.55%	36	0.08	17,200	17,200	17,200	17,200	0.08	36	0.57%
<b>TOTAL EXPENSES</b>	<b>55.22%</b>	<b>\$3,620</b>	<b>\$7.88</b>	<b>\$1,723,121</b>	<b>\$1,787,056</b>	<b>\$1,758,217</b>	<b>\$1,758,217</b>	<b>\$8.04</b>	<b>\$3,694</b>	<b>58.18%</b>
<b>NET OPERATING INC</b>	<b>44.78%</b>	<b>\$2,935</b>	<b>\$6.39</b>	<b>\$1,397,245</b>	<b>\$1,333,554</b>	<b>\$1,258,751</b>	<b>\$1,263,719</b>	<b>\$5.78</b>	<b>\$2,655</b>	<b>41.82%</b>

**DEBT SERVICE**

Rockport Mortgage Corp	34.60%	\$2,268	\$4.94	\$1,079,573	\$1,094,569	\$1,094,569	\$1,053,098	\$4.82	\$2,212	34.85%
Austin Housing Finance Corporation	0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>10.18%</b>	<b>\$667</b>	<b>\$1.45</b>	<b>\$317,672</b>	<b>\$238,985</b>	<b>\$164,182</b>	<b>\$210,621</b>	<b>\$0.96</b>	<b>\$442</b>	<b>6.97%</b>
AGGREGATE DEBT COVERAGE RATIO				1.29	1.22	1.15	1.20			
RECOMMENDED DEBT COVERAGE RATIO				1.29	1.22					

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-Exchange	TDHCA - UW	APPLICATION	APPLICANT-Exchange	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		39.43%	\$29,798	\$64.88	\$14,183,645	\$12,800,000	\$12,800,000	\$14,183,645	\$64.88	\$29,798	39.22%
Off-Sites		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Sitework		4.38%	3,307	7.20	1,574,173	1,391,573	1,391,573	1,391,573	6.37	2,923	3.85%
Direct Construction		28.37%	21,434	46.67	10,202,781	10,053,681	10,053,681	10,053,681	45.99	21,121	27.80%
Contingency	7.21%	2.36%	1,784	3.88	849,238	849,238	849,238	849,238	3.88	1,784	2.35%
Contractor's Fees	13.58%	4.45%	3,359	7.31	1,598,903	1,598,903	1,598,903	1,598,903	7.31	3,359	4.42%
Indirect Construction		1.04%	785	1.71	373,750	373,750	373,750	373,750	1.71	785	1.03%
Ineligible Costs		1.04%	788	1.72	375,030	716,947	716,947	375,030	1.72	788	1.04%
Developer's Fees	15.00%	11.18%	8,446	18.39	4,020,282	3,935,580	4,045,000	4,236,296	19.38	8,900	11.71%
Interim Financing		4.32%	3,263	7.10	1,553,034	1,320,054	1,320,054	1,553,034	7.10	3,263	4.29%
Reserves		3.44%	2,601	5.66	1,238,176	432,958	432,958	1,548,457	7.08	3,253	4.28%
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$75,565</b>	<b>\$164.54</b>	<b>\$35,969,012</b>	<b>\$33,472,684</b>	<b>\$33,582,104</b>	<b>\$36,163,607</b>	<b>\$165.43</b>	<b>\$75,974</b>	<b>100.00%</b>	
<b>+ 10% Increase</b>						\$1,144,525					
<b>Total Cost</b>						\$34,617,209	\$33,582,104				
<b>Construction Cost Recap</b>	<b>39.55%</b>	<b>\$29,885</b>	<b>\$65.07</b>	<b>\$14,225,095</b>			<b>\$13,893,395</b>	<b>\$63.56</b>	<b>\$29,188</b>	<b>38.42%</b>	

**SOURCES OF FUNDS**

Rockport Mortgage Corp	41.70%	\$31,513	\$68.62	\$15,000,000	\$13,045,222	\$13,045,222	\$15,000,000	\$15,000,000		Developer Fee Available
Austin Housing Finance Corporation	8.34%	\$6,303	\$13.72	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000		\$4,236,296
<b>Tax Credit Exchange Program</b>	<b>42.81%</b>	<b>\$32,353</b>	<b>\$70.45</b>	<b>15,400,000</b>	<b>0</b>	<b>0</b>	<b>15,400,000</b>	<b>15,400,000</b>		
HTC Syndication Proceeds	0.00%	\$0	\$0.00	0	14,798,520	14,798,520	0	0		
Net Income Year-1 / Cash Equity	2.91%	\$2,200	\$4.79	1,047,020	0	0	1,047,020	0		% of Dev. Fee Deferred
Deferred Developer Fees	4.77%	\$3,606	\$7.85	1,716,586	2,738,361	2,738,361	1,716,586	2,674,012		63%
Additional (Excess) Funds Req'd	-0.54%	(\$409)	(\$0.89)	(194,594)	(109,419)	1	1	(105,000)		15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>				<b>\$35,969,012</b>	<b>\$33,472,684</b>	<b>\$33,582,104</b>	<b>\$36,163,607</b>	<b>\$35,969,012</b>		<b>\$5,827,176</b>

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Malibu Apartments, Austin, Tax Credit Exchange / 9% HTC #09993 / 09159

**DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				\$0
<b>Adjustments</b>				
Exterior Wall Finish			\$0.00	\$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.42)	(529,012)
Floor Cover			2.38	520,268
Breezeways/Balconies	\$22.95		0.00	0
Plumbing Fixtures	\$835		0.00	0
Rough-ins	\$410		0.00	0
Built-In Appliances	\$1,800	476	3.92	856,800
Exterior Stairs	\$1,875		0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			1.83	400,038
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	\$2.15	218,600	2.15	469,990
<b>SUBTOTAL</b>			<b>7.86</b>	<b>1,718,084</b>
Current Cost Multiplier	1.01		0.08	17,181
Local Multiplier			(7.86)	(1,718,084)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$0.08</b>	<b>\$17,181</b>
Plans, specs, survy, bld prm	3.90%		(\$0.00)	(\$670)
Interim Construction Interest	3.38%		(0.00)	(580)
Contractor's OH & Profit	11.50%		(0.01)	(1,976)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$0.06</b>	<b>\$13,955</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$15,000,000	Amort	480
Int Rate	6.70%	DCR	1.29
<b>Secondary</b>	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29
<b>Additional</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$1,079,573
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$317,672</b>

<b>Primary</b>	\$15,000,000	Amort	480
Int Rate	6.70%	DCR	1.29
<b>Secondary</b>	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.29
<b>Additional</b>	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.29

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$3,287,688	\$3,353,442	\$3,420,511	\$3,488,921	\$3,558,699
Secondary Income	85,680	87,394	89,141	90,924	92,743
Other Support Income: Utility R	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>	<b>3,373,368</b>	<b>3,440,835</b>	<b>3,509,652</b>	<b>3,579,845</b>	<b>3,651,442</b>
Vacancy & Collection Loss	(253,003)	(258,063)	(263,224)	(268,488)	(273,858)
Employee or Other Non-Rental	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$3,120,365</b>	<b>\$3,182,773</b>	<b>\$3,246,428</b>	<b>\$3,311,357</b>	<b>\$3,377,584</b>
<b>EXPENSES at 3.00%</b>					
General & Administrative	\$87,892	\$90,528	\$93,244	\$96,042	\$98,923
Management	123,501	125,971	128,490	131,060	133,681
Payroll & Payroll Tax	392,500	404,275	416,403	428,895	441,762
Repairs & Maintenance	259,468	267,252	275,270	283,528	292,034
Utilities	88,980	91,649	94,399	97,231	100,148
Water, Sewer & Trash	244,415	251,747	259,300	267,079	275,091
Insurance	64,260	66,188	68,173	70,219	72,325
Property Tax	259,265	267,043	275,055	283,306	291,805
Reserve for Replacements	142,800	147,084	151,497	156,041	160,723
TDHCA Compliance Fee	19,040	19,611	20,200	20,806	21,430
TCAP Asset Oversight Fee	23,800	24,514	25,249	26,007	26,787
Other	17,200	17,716	18,247	18,795	19,359
<b>TOTAL EXPENSES</b>	<b>\$1,723,121</b>	<b>\$1,773,579</b>	<b>\$1,825,527</b>	<b>\$1,879,008</b>	<b>\$1,934,068</b>
<b>NET OPERATING INCOME</b>	<b>\$1,397,245</b>	<b>\$1,409,193</b>	<b>\$1,420,901</b>	<b>\$1,432,349</b>	<b>\$1,443,516</b>
<b>DEBT SERVICE</b>					
First Lien Financing	\$1,079,573	\$1,079,573	\$1,079,573	\$1,079,573	\$1,079,573
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$317,672</b>	<b>\$329,621</b>	<b>\$341,328</b>	<b>\$352,776</b>	<b>\$363,943</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.29</b>	<b>1.31</b>	<b>1.32</b>	<b>1.33</b>	<b>1.34</b>

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$3,929,091	\$4,338,034	\$4,789,541	\$5,838,423
102,396	113,053	124,820	152,154
0	0	0	0
4,031,487	4,451,087	4,914,360	5,990,578
(302,362)	(333,832)	(368,577)	(449,293)
0	0	0	0
<b>\$3,729,126</b>	<b>\$4,117,256</b>	<b>\$4,545,783</b>	<b>\$5,541,284</b>
\$114,679	\$132,944	\$154,118	\$207,122
147,595	162,957	179,918	219,318
512,123	593,691	688,251	924,952
338,547	392,469	454,979	611,453
116,099	134,590	156,027	209,687
318,906	369,700	428,583	575,980
83,845	97,199	112,680	151,433
338,282	392,162	454,623	610,976
186,322	215,998	250,401	336,518
24,843	28,800	33,387	44,869
31,054	36,000	41,733	56,086
22,442	26,017	30,160	40,533
<b>\$2,234,736</b>	<b>\$2,582,525</b>	<b>\$2,984,861</b>	<b>\$3,988,928</b>
<b>\$1,494,389</b>	<b>\$1,534,730</b>	<b>\$1,560,922</b>	<b>\$1,552,357</b>
\$1,079,573	\$1,079,573	\$1,079,573	\$1,079,573
0	0	0	0
0	0	0	0
<b>\$414,817</b>	<b>\$455,158</b>	<b>\$481,350</b>	<b>\$472,784</b>
1.38	1.42	1.45	1.44

## HTC ALLOCATION ANALYSIS -Malibu Apartments, Austin, Tax Credit Exchange / 9% HTC #09993 / 09159

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>						
Purchase of land	\$1,755,000	\$3,533,645				
Purchase of buildings	\$12,428,645	\$10,650,000	\$12,428,645	\$10,650,000		
<b>Off-Site Improvements</b>						
<b>Sitework</b>	\$1,391,573	\$1,574,173			\$1,391,573	\$1,574,173
<b>Construction Hard Costs</b>	\$10,053,681	\$10,202,781			\$10,053,681	\$10,202,781
<b>Contractor Fees</b>	\$1,598,903	\$1,598,903			\$1,598,903	\$1,598,903
<b>Contingencies</b>	\$849,238	\$849,238			\$849,238	\$849,238
<b>Eligible Indirect Fees</b>	\$373,750	\$373,750			\$373,750	\$373,750
<b>Eligible Financing Fees</b>	\$1,553,034	\$1,553,034			\$1,553,034	\$1,553,034
<b>All Ineligible Costs</b>	\$375,030	\$375,030				
<b>Developer Fees</b>				\$1,597,500		\$2,422,782
Developer Fees	\$4,236,296	\$4,020,282	\$1,863,845		\$2,372,451	
<b>Development Reserves</b>	\$1,548,457	\$1,238,176				
<b>TOTAL DEVELOPMENT COSTS</b>	\$36,163,607	\$35,969,012	\$14,292,490	\$12,247,500	\$18,192,630	\$18,574,661

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
<b>TOTAL ELIGIBLE BASIS</b>			\$14,292,490	\$12,247,500	\$18,192,630	\$18,574,661
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$14,292,490	\$12,247,500	\$23,650,419	\$24,147,059
Applicable Fraction			87.53%	87.53%	87.53%	87.53%
<b>TOTAL QUALIFIED BASIS</b>			\$12,510,832	\$10,720,765	\$20,702,231	\$21,136,961
Applicable Percentage			3.42%	3.42%	9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$427,870	\$366,650	\$1,863,201	\$1,902,327

<b>Syndication Proceeds</b>	<b>0.7700</b>	<b>\$3,294,603</b>	<b>\$2,823,206</b>	<b>\$14,346,646</b>	<b>\$14,647,914</b>
<b>Total Tax Credits (Eligible Basis Method)</b>				<b>\$2,291,071</b>	<b>\$2,268,977</b>
<b>Syndication Proceeds</b>				<b>\$17,641,249</b>	<b>\$17,471,120</b>
<b>Previously Awarded Tax Credits - Total</b>				<b>\$2,000,000</b>	
<b>Syndication Proceeds</b>				<b>\$15,400,000</b>	
<b>Gap of Syndication Proceeds Needed</b>				<b>\$18,163,607</b>	<b>\$17,969,012</b>
<b>Total Tax Credits (Gap Method)</b>				<b>\$2,358,910</b>	<b>\$2,333,638</b>
<b>Exchange Funds Requested</b>				<b>\$15,400,000</b>	
<b>Amount of Credits Returned (Applicant)</b>				<b>\$2,000,000</b>	



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
Real Estate Analysis Division  
Underwriting Report

REPORT DATE: 07/27/09 PROGRAM: 9% HTC

FILE NUMBER: 09159

**DEVELOPMENT**

## Malibu Apartments

Location: 8600 N. Lamar Region: 7  
 City: Austin County: Travis Zip: 78753  OCT  DDA  
 Key Attributes: Family, Urban, Acquisition / Rehab Construction

**ALLOCATION**

TDHCA Program	REQUEST			RECOMMENDATION		
	Amount (*)	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax Credit (Annual)	\$2,000,000			\$2,000,000		

(\*) Applicant requested \$2,417,862 in original application. The requested amount exceeds the program maximum LIHTC award of \$2,000,000 per development pursuant to the QAP. As instructed by the Program staff, the Underwriter has underwritten the application at the \$2M cap amount in this report.

**CONDITIONS**

- 1 Receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that a comprehensive asbestos assessment has been completed, and that any subsequent recommendations have been implemented.
- 2 Receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that a comprehensive lead-based paint assessment has been completed, and that any subsequent recommendations have been implemented.
- 3 Receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that testing for lead in the drinking water at the subject site has been completed, and that any subsequent recommendations have been implemented.
- 4 Receipt, review, and acceptance, prior to commitment of an amended PCA report outlining the scope of work and costs to comply with all federal, state and local accessibility requirements. Should the costs exceed the \$25,000 currently contemplated in the development budget, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.
- 5 Receipt, review, and acceptance, prior to commitment of an amended real estate purchase contract showing the revised purchase amount as reflected in the Applicant's revised development cost schedule.
- 6 Receipt, review and acceptance by commitment of approval from the City of Austin for the General Obligation Bond funding for the development.
- 7 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

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SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	22
50% of AMI	50% of AMI	193
60% of AMI	60% of AMI	213

Strengths / Mitigating Factors

- Overall 15% capture rate with individual unit capture rates low except for the 50% AMI efficiency units.
- Property is reported to be 97% occupied and the sub-market affordable properties are reported to be 96%.

Risks / Weaknesses

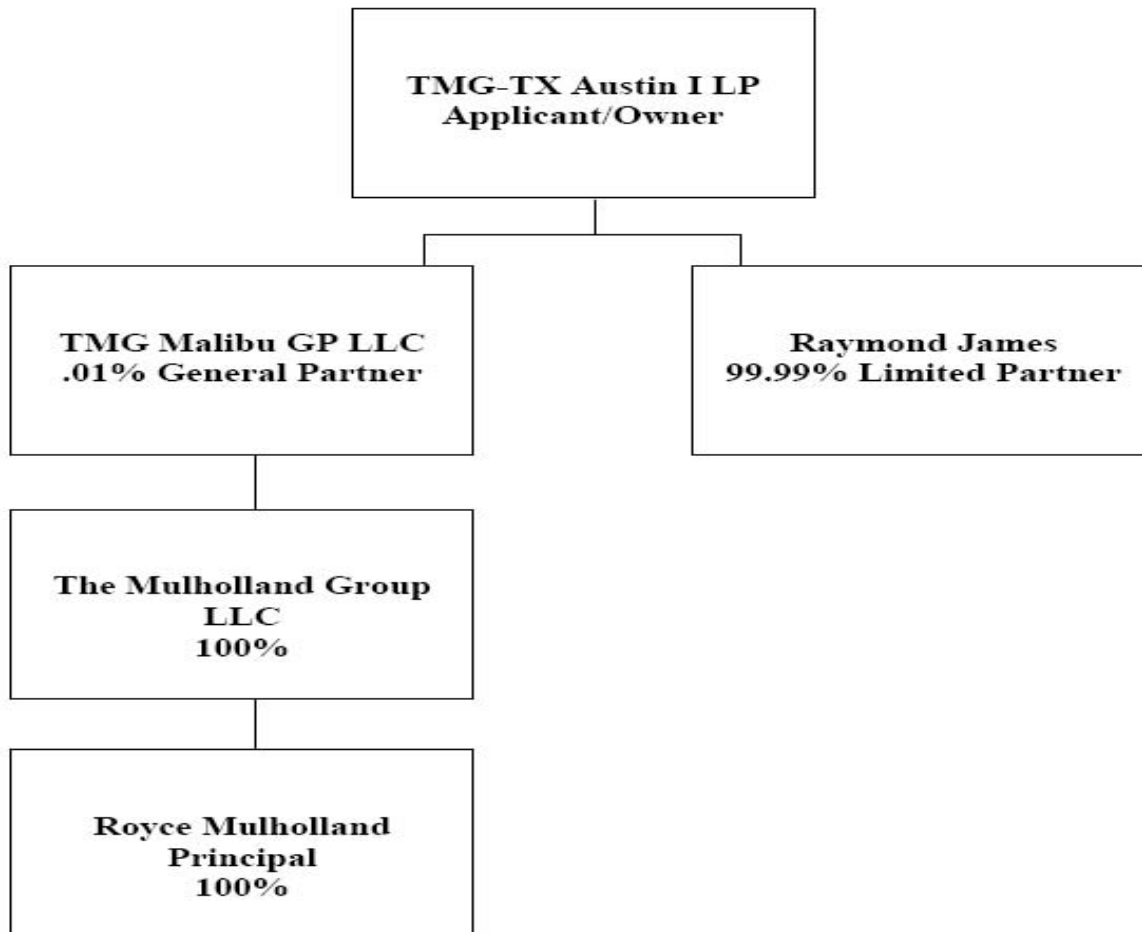
- Additional ESA findings and/or an increased scope of work to address accessibility issues could potentially increase costs and, if material, could make the transaction infeasible.

PREVIOUS UNDERWRITING REPORTS

None.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Joe McLaughlin Phone: 212-661-5015 Fax: 212-661-5771  
 Email: jmclaughlin@tmg-housing.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments
Royce Mulholland	CONFIDENTIAL		0
The Mulholland Group, LLC	CONFIDENTIAL		0
TMG Malibu GP, LLC	To Be Formed		0

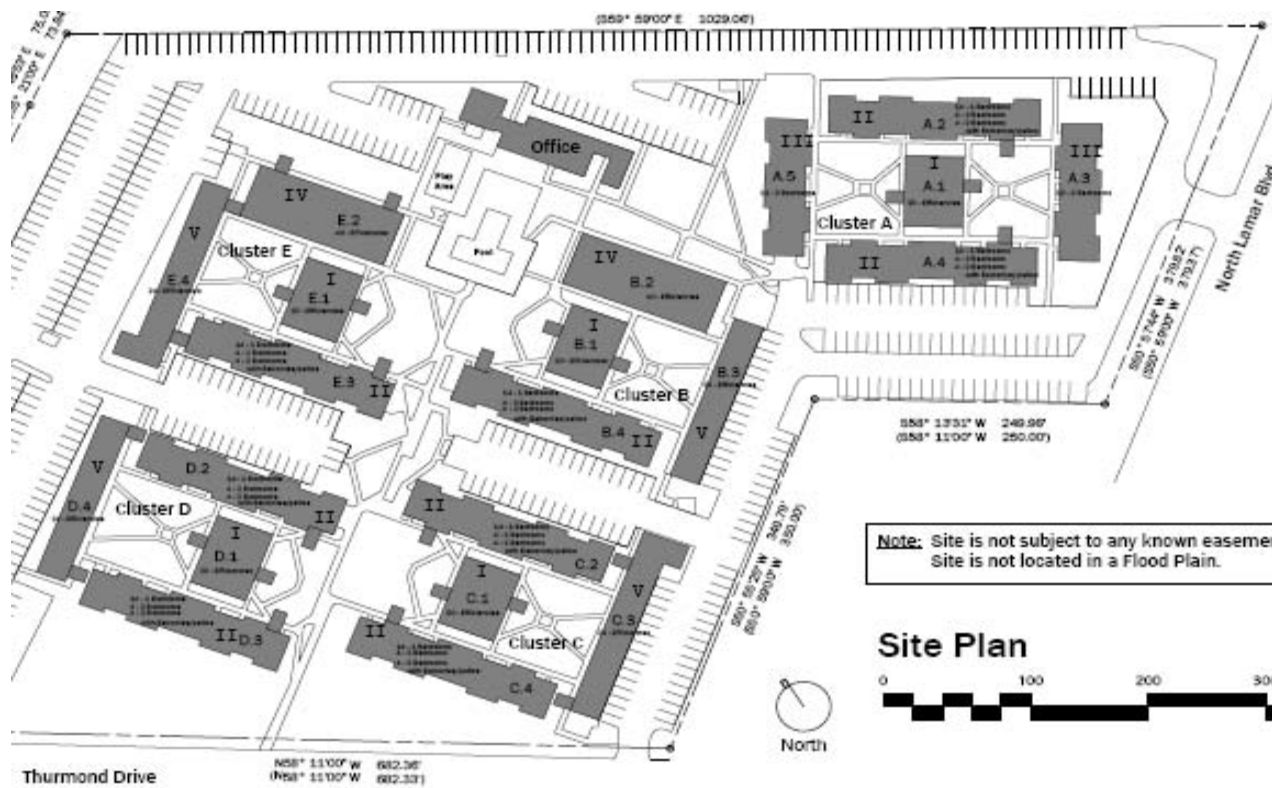
<sup>1</sup> Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- o The Applicant and Developer are related entities. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV	V						Total Buildings
Floors/Stories	2	2	2	2	2						
Number	5	8	2	2	4						21

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BR/BA	SF	Units								Total Units	Total SF	
0/1	350	20			40	24					276	96,600
1/1	500		14								112	56,000
2/2	750		4	12							56	42,000
2/2 BALC	750		4								32	24,000
Units per Building		20	22	12	40	24					<b>476</b>	<b>218,600</b>

Rehabilitation summary:

The plan calls for: the replacement of property signage; perimeter fencing; mail kiosk; roof systems of 3 buildings; all stair towers, mansards, wood trim and fascia components; damaged concrete topping and wood framing of balconies; all entrance doors and hardware; kitchen countertops, sinks, faucets, and appliances; all interior doors; apartment flooring; interior lighting; all window blinds; all older condensing units; all interior fan coil units; hot water boilers and tanks; pool re-plastering and replace pool furniture. Install the following: concrete dumpster pads; ceiling fans in all bedrooms; smoke detectors and GFI outlets throughout.

SITE ISSUES

Total Size: 14.1651 acres Scattered site?  Yes  No  
 Flood Zone: Zone X Within 100-yr floodplain?  Yes  No  
 Zoning: GR Needs to be re-zoned?  Yes  No  N/A

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 4/21/2009  
 Overall Assessment:  
 Excellent  Acceptable  Questionable  Poor  Unacceptable  
 Surrounding Uses:  
 North: stores; stores East: stores; housing  
 South: apartments; stores West: housing; housing

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Phase Engineering, Inc. Date: 2/11/2009  
 Recognized Environmental Concerns (RECs) and Other Concerns:  

- "This assessment has revealed no evidence of recognized environmental conditions in connection with the property." (p. 3)
- "Potential asbestos containing building materials (ACBMs) in the form of wall material, ceiling material, floor material and miscellaneous building materials in good condition were observed at the subject site ... In the event of renovation and / or demolition, sampling may be required of suspect asbestos containing materials prior to these activities." (p. 22)
- "In the event that maintenance and repair are necessary, OSHA requires that anyone in contact with the disruption of lead paint be notified. In the event of renovation and or demolition, further sampling may be required prior to these activities" (p. 23)

"Lead is rarely found in source water, but enters tap water through corrosion of plumbing materials. Construction built before 1986 is more likely to have lead pipes, fixtures and solder. Testing for lead in water would be necessary to determine lead content in the drinking water at the subject property."  
 (addendum 052009)

Comments:

Any recommended funding will be subject to receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that a comprehensive asbestos assessment has been completed, and that any subsequent recommendations have been implemented.

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Any recommended funding will be subject to receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that a comprehensive lead-based paint assessment has been completed, and that any subsequent recommendations have been implemented.

Any recommended funding will be subject to receipt, review, and acceptance, prior to demolition or rehabilitation activities, of evidence that testing for lead in the drinking water at the subject site has been completed, and that any subsequent recommendations have been implemented.

**MARKET HIGHLIGHTS**

Provider: Apartment MarketData Date: 3/16/2009  
 Contact: Darrell Jack Phone: (210) 530-0040 Fax: (210) 340-5830  
 Number of Revisions: none Date of Last Applicant Revision: N / A

Primary Market Area (PMA): 20 sq. miles 3 mile equivalent radius

The Primary Market Area is defined by Braker Lane and Walnut Creek Park to the north; IH35 and Dessau and Cameron Roads to the east; Highway 290 and Koenig Lane to the south; and Loop 1 to the west. The PMA had an estimated 2008 population of 99,863, with 40,818 households.

Secondary Market Area (SMA):

The market study does not define a Secondary Market Area.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
none				none			

INCOME LIMITS						
Travis						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	\$15,400	\$17,600	\$19,800	\$22,000	\$23,750	\$25,500
50	\$25,650	\$29,300	\$33,000	\$36,650	\$39,600	\$42,500
60	\$30,780	\$35,160	\$39,600	\$43,980	\$47,520	\$51,000

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
0/1 BR, 30%	261	-2	0	259	0	0	0%
0/1 BR, 50%	1,036	-7	0	1,029	0	0	0%
0/1 BR, 60%	2,260	-6	0	2,254	0	0	0%
2 BR/60%	979	-19	0	960	0	0	0%

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
0 BR/30%	79	0	0	79	22	0	28%
0 BR/50%	157	1	0	158	193	0	122%
0 BR/60%	182	1	0	183	51	0	28%
1 BR/60%	505	-3	0	502	93	0	19%
2 BR/60%	488	-10	0	478	69	0	14%

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OVERALL DEMAND						
	Target Households	Household Size	Income Eligible	Tenure	Demand	
PMA DEMAND from TURNOVER						turnover
Market Analyst p.				8,858	55%	4,881
Underwriter	100% 40,819	78% 31,798	24% 7,579	74% 5,639	55%	3,110

PMA DEMAND from GROWTH							growth
Market Analyst p.						-52	
Underwriter	100% 173	78% 135	24% 32	74% 24	100%	24	

DEMAND from OTHER SOURCES					Section 8
Market Analyst p.					207
Underwriter					0

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand	Inclusive Capture Rate
Market Analyst p.	476	0	0	0	5,036	0%
Underwriter	476	0	0	476	3,134	15%

#### Supply and Demand Analysis:

The market study includes a general demographic data report from MapInfo for the PMA; it also includes a HISTA Data report, a customized report specifying households by income, household size, tenure, and age; the 2000 Census data for Travis County indicates a renter turnover rate of 55.1%. The Market Analyst incorrectly calculated the minimum incomes for the efficiency units restricted to 50% and 60% of AMI, resulting in overstated demand; based on this, the market study analysis identifies demand for 4,881 units due to household turnover. The HISTA report projects a decrease in the number of eligible households, resulting in a reduction in demand by 52 units. The Market Analyst also identifies additional demand for 207 units from holders of Section 8 vouchers. The Market Analyst reports total demand for 5,036 units.

The underwriting analysis is based on the traditional method of projecting household demand from the general demographic data. The data indicate demand for 3,110 units due to household turnover, and demand for 24 units due to household growth. Demand from Section 8 vouchers has not been considered. With total demand for 3,134 units, and no unstabilized comparable units in the PMA, the inclusive capture rate for the 476 units at the subject is 15%.

However, the subject is currently 97% occupied. It is expected that most tenants will meet the income eligibility after the rehabilitation; and there will be 48 units without income and rent restrictions to accommodate any tenants who do not qualify. Since the development expects to maintain stabilized occupancy throughout the rehabilitation, a capture rate is not a meaningful measure of the feasibility of the project.

#### Primary Market Occupancy Rates:

"Affordable projects in the PMA are 96% occupied. This demonstrates that the demand for new affordable rental housing is high." (p. 54)

#### Absorption Projections:

"The sponsor of this application intends to renovate the projects with the residents in place. If the project were to be completely vacated, we would estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction." (p. 48)

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RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
0 BR	350 SF	30%	\$315	\$337	\$513	\$337	\$176
0 BR	350 SF	50%	\$450	\$513	\$513	\$513	\$0
0 BR	350 SF	60%	\$460	\$513	\$513	\$513	\$0
0 BR	350 SF	MR	\$470	\$513	\$513	\$513	\$0
0 BR	350 SF	MR	\$480	\$513	\$513	\$513	\$0
RENT ANALYSIS (Tenant-Paid Net Rents) (cont.)							
Unit Type (% AMI)			Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR	500 SF	60%	\$605	\$622	\$622	\$622	\$0
1 BR	500 SF	MR	\$615	\$622	\$622	\$622	\$0
2 BR	750 SF	60%	\$684	\$757	\$757	\$757	\$0
2 BR	750 SF	MR	\$715	\$757	\$757	\$757	\$0

## Market Impact:

"The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market." (p. 54)

## Comments:

The market study provided sufficient information on which to base a funding recommendation.

### OPERATING PROFORMA ANALYSIS

Income:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 2007, maintained by the Austin Housing Authority, from the 2008 program gross rent limits. Tenants will be required to pay electric utility costs only. The Applicant's secondary income and vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines. The Applicant's estimated secondary income is above TDHCA's maximum of \$15 per unit per month, however this property has been operating since the 1970's and FY 2008 actual operating statements support the Applicant's assumptions of \$35.17 per unit per month. The vacancy and collection loss assumptions are below the 7.5% TDHCA guideline, however the Market Study and Rent Roll as of December 2008 support the Applicant's 6% assumption. The Applicant's Effective Gross Income estimates are within 5% of the Underwriters.

Expense:      Number of Revisions:      None      Date of Last Applicant Revision:      N/A

The Applicant's total annual operating expense projection at \$3,694 per unit is within 5% of the Underwriter's estimate of \$3,754, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant's revised budget shows several line item estimates that deviate significantly when compared to the database averages, specifically: Payroll and Payroll Tax (\$41K lower), Water, Sewer & Trash (\$67K higher), Property Insurance (lower than database estimates, but supported by a quote for \$135 per unit annually). The Underwriter discussed these differences with the Applicant and was able to reconcile them by reviewing and considering historical operating expenses for the development from October 2007 to September 2008 statements.

This section intentionally left blank.

## Conclusion:

The Applicant's effective gross income and operating expenses are within 5% of the Underwriter's; however net operating income is not within 5% of the Underwriter's estimates. This discrepancy is more than likely attributed to the Applicant's use of 2008 program rent limits and the Applicant's claim of secondary income which is more than twice the TDHCA maximum of \$15 per unit amount utilized by the Underwriter. Also the Underwriter used 2009 Program Rent Limits which were not available to the Applicant prior to the application submission deadline. Therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.22, which is within the Department's DCR guideline of 1.15 to 1.35.

## Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

**ACQUISITION INFORMATION**

## APPRAISED VALUE

Provider:	<u>The Powers Group</u>	Date:	<u>3/26/2009</u>
Number of Revisions:	<u>None</u>	Date of Last Applicant Revision:	<u>N/A</u>
Land Only:	<u>14.219 acres</u>	As of:	<u>2/17/2009</u>
Existing Buildings: (as-is)	<u>\$11,450,000</u>	As of:	<u>2/17/2009</u>
Total Development: (as-is)	<u>\$13,600,000</u>	As of:	<u>2/17/2009</u>

## ASSESSED VALUE

Land Only:	<u>14.1651 acres</u>	<u>\$1,851,093</u>	Tax Year:	<u>2009</u>
1 acre:		<u>\$130,680</u>		<u>Travis CAD</u>
Total Prorata:	<u>14.2 acres</u>	<u>\$1,851,093</u>		<u>Travis CAD</u>
Existing Buildings:		<u>\$11,887,895</u>	Valuation by:	<u>Travis CAD</u>
Total Assessed Value:		<u>\$13,738,988</u>	Tax Rate:	<u>2.1787</u>

## EVIDENCE of PROPERTY CONTROL

Type:	<u>Purchase and Sale Agreement - Second Amendment</u>	Acreage:	<u>14.2+/-</u>
Contract Expiration:	<u>7/31/2009</u>	Valid Through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	<u>\$12,800,000</u>	Other:	<u></u>
Seller:	<u>Russell Minnick - CDS-Texas Malibu, L.P.</u>	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## Comments:

At application submission, the purchase price was \$13,500,000 but was later revised to \$12,800,000 in an updated development cost schedule. This report is conditioned upon receipt of an amended purchase agreement that is receipted by the title company showing the revised purchase amount.

This section intentionally left blank.

**CONSTRUCTION COST ESTIMATE EVALUATION**

*COST SCHEDULE* Number of Revisions: 3 Date of Last Applicant Revision: 5/11/2009

**Acquisition Value:**

The Applicant's revised acquisition cost of \$26,891 per unit is used by the Underwriter since the acquisition is an arm's-length transaction. The appraisal value is \$800K higher than the purchase price.

**Off-Site Cost:**

None

**Sitework Cost:**

Sitework costs are minimal at \$2,923 per unit, as supported by the Property Condition Assessment (PCA) as revised.

**Direct Construction Cost:**

The Applicant's direct construction cost estimate is \$75K or 1% lower than the estimate provided in the Property Condition Assessment (PCA). The underwriting analysis will reflect the PCA value.

**Ineligible Costs:**

The Applicant's ineligible expenses were found to be within Department guidelines, therefore the Underwriter did not include any additional ineligible items. The land acquisition cost of \$1,755,000 was removed from the eligible basis because this is a rehabilitation project.

**Interim Interest Expense:**

The Underwriter reduced the eligible interim financing fees by \$341,013 to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Underwriter's eligible basis estimate.

**Contingency & Fees:**

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

**Conclusion:**

The Applicant's original application showed development costs greater than 5% higher than the costs as reported in the PCA. These costs were not within 5% of the Underwriter's estimate. The Underwriter asked the Applicant for a reconciliation of their costs to the PCA costs. The Applicant then submitted a revised cost schedule to both TDHCA and the PCA provider. The PCA provider then submitted a revised development schedule adjusting certain sitework and hard costs items in the PCA.

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant specifically the PCA and the revised PCA. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$13,583,709 supports annual tax credits of \$2,202,470. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

**FINANCING STRUCTURE**

*SOURCES & USES* Number of Revisions: 3 Date of Last Applicant Revision: 5/6/2009

Source: Raymond James Type: Interim Financing

Principal: \$19,347,097 Interest Rate: 8.0%  Fixed Term: 24 months

Source: Raymond James Type: Permanent Financing

Principal: \$13,045,222 Interest Rate: 7.5%  Fixed Amort: 360 months



Source: City of Austin Type: Local Government Loan

Principal: \$3,000,000 Conditions: Increased from \$2.5 million in the original application.

Comments:

Proposed funds will come from the City of Austin's General Obligation (GO) Bonds. Typically structured with a 0% interest rate and a 99 year term which afterwards the loan will become forgivable, therefore no debt service is calculated.

Source: Capstone Real Estate, LLC Type: Private Loan or Grant

Principal: \$705,000 Conditions: To be determined upon HTC allocation award.

Comments:

These funds will be used for pre-development expenses and are expected to be repaid within one year with terms to be determined.

Source: Raymond James Type: Syndication

Proceeds: \$14,798,520 Syndication Rate: 74% Anticipated HTC: \$ 2,000,000

Comments:

Sensitivity Test info...

Amount: \$2,738,361 Type: Deferred Developer Fees

### CONCLUSIONS

Recommended Financing Structure:

The Underwriter's/Applicant's total development cost estimate less the permanent loan of \$13,045,222 from Raymond James and \$3,000,000 from the City of Austin indicates the need for \$17,427,462 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$2,355,298 annually would be required to fill this gap in financing. The three possible tax credit allocations are:

Allocation determined by eligible basis:	\$2,202,470
Allocation determined by gap in financing:	\$2,355,298
<b><u>Allocation requested by the Applicant:</u></b>	<b><u>\$2,000,000</u></b>

The allocation amount determined by the Applicant's request is recommended. A tax credit allocation of \$2,000,000 per year for 10 years results in total equity proceeds of \$14,798,520 at a syndication rate of \$0.74 per tax credit

Underwriter: \_\_\_\_\_ Date: July 27, 2009

*Colton Sanders*

Reviewing Underwriter: \_\_\_\_\_ Date: July 27, 2009

*Raquel Morales*

Director of Real Estate Analysis: \_\_\_\_\_ Date: July 27, 2009

*Brent Stewart*

MULTIFAMILY COMPARATIVE ANALYSIS

Malibu Apartments, Austin, 9% HTC #09159

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30%	22	0	1	350	\$385	\$337	\$7,414	\$0.96	\$48.00	\$29.00
TC 50%	193	0	1	350	\$641	\$513	\$99,009	\$1.47	\$48.00	\$29.00
TC 60%	51	0	1	350	\$769	\$513	\$26,163	\$1.47	\$48.00	\$29.00
MR	5	0	1	350		\$513	\$2,565	\$1.47	\$48.00	\$29.00
MR	5	0	1	350		\$513	\$2,565	\$1.47	\$48.00	\$29.00
TC 60%	93	1	1	500	\$824	\$622	\$57,846	\$1.24	\$71.00	\$48.00
MR	19	1	1	500		\$622	\$11,818	\$1.24	\$71.00	\$48.00
TC 60%	69	2	1	750	\$990	\$757	\$52,233	\$1.01	\$92.00	\$58.00
MR	19	2	1	750		\$757	\$14,383	\$1.01	\$92.00	\$58.00
<b>TOTAL:</b>	<b>476</b>		<b>AVERAGE:</b>	<b>459</b>		<b>\$576</b>	<b>\$273,996</b>	<b>\$1.25</b>	<b>\$61.55</b>	<b>\$38.83</b>

INCOME		Total Net Rentable Sq Ft:	218,600	TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
<b>POTENTIAL GROSS RENT</b>				\$3,287,952	\$3,008,652	Travis	Austin	7
Secondary Income		Per Unit Per Month:	\$15.00	85,680	44,844	\$7.85	Per Unit Per Month	
Other Support Income:				0	156,048	\$27.32	Per Unit Per Month	
<b>POTENTIAL GROSS INCOME</b>				\$3,373,632	\$3,209,544			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%	(253,022)	(192,576)	-6.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
<b>EFFECTIVE GROSS INCOME</b>				\$3,120,610	\$3,016,968			

EXPENSES	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	2.82%	\$185	0.40	\$87,892	\$70,617	\$0.32	\$148	2.34%
Management	3.83%	251	0.55	119,557	112,000	0.51	235	3.71%
Payroll & Payroll Tax	14.28%	936	2.04	445,707	404,600	1.85	850	13.41%
Repairs & Maintenance	8.85%	580	1.26	276,181	268,100	1.23	563	8.89%
Utilities	4.27%	280	0.61	133,346	130,500	0.60	274	4.33%
Water, Sewer, & Trash	7.11%	466	1.01	221,808	289,500	1.32	608	9.60%
Property Insurance	2.06%	135	0.29	64,260	50,000	0.23	105	1.66%
Property Tax	8.31%	545	1.19	259,265	253,860	1.16	533	8.41%
Reserve for Replacements	4.58%	300	0.65	142,800	142,800	0.65	300	4.73%
TDHCA Compliance Fees	0.61%	40	0.09	19,040	19,040	0.09	40	0.63%
Other:	0.55%	36	0.08	17,200	17,200	0.08	36	0.57%
<b>TOTAL EXPENSES</b>	<b>57.27%</b>	<b>\$3,754</b>	<b>\$8.18</b>	<b>\$1,787,056</b>	<b>\$1,758,217</b>	<b>\$8.04</b>	<b>\$3,694</b>	<b>58.28%</b>
<b>NET OPERATING INC</b>	<b>42.73%</b>	<b>\$2,802</b>	<b>\$6.10</b>	<b>\$1,333,554</b>	<b>\$1,258,751</b>	<b>\$5.76</b>	<b>\$2,644</b>	<b>41.72%</b>

DEBT SERVICE				TDHCA	APPLICANT			
Raymond James	35.08%	\$2,300	\$5.01	\$1,094,569	\$1,094,569	\$5.01	\$2,300	36.28%
City of Austin	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>7.66%</b>	<b>\$502</b>	<b>\$1.09</b>	<b>\$238,985</b>	<b>\$164,182</b>	<b>\$0.75</b>	<b>\$345</b>	<b>5.44%</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>				1.22	1.15			
<b>RECOMMENDED DEBT COVERAGE RATIO</b>				1.22				

CONSTRUCTION COST					TDHCA	APPLICANT			
Acquisition Cost (site or bldg)		38.24%	\$26,891	\$58.55	\$12,800,000	\$12,800,000	\$58.55	\$26,891	38.12%
Off-Sites		0.00%	0	0.00	0	0	\$0.00	\$0	0.00%
Sitework		4.16%	2,923	6.37	1,391,573	1,391,573	\$6.37	\$2,923	4.14%
Direct Construction		30.04%	21,121	45.99	10,053,681	10,053,681	\$45.99	\$21,121	29.94%
Contingency	7.42%	2.54%	1,784	3.88	849,238	849,238	\$3.88	\$1,784	2.53%
Contractor's Fees	13.97%	4.78%	3,359	7.31	1,598,903	1,598,903	\$7.31	\$3,359	4.76%
Indirect Construction		1.12%	785	1.71	373,750	373,750	\$1.71	\$785	1.11%
Ineligible Costs		2.14%	1,506	3.28	716,947	716,947	\$3.28	\$1,506	2.13%
Developer's Fees	15.00%	11.76%	8,268	18.00	3,935,580	4,045,000	\$18.50	\$8,498	12.05%
Interim Financing		3.94%	2,773	6.04	1,320,054	1,320,054	\$6.04	\$2,773	3.93%
Reserves		1.29%	910	1.98	432,958	432,958	\$1.98	\$910	1.29%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$70,321</b>	<b>\$153.12</b>	<b>\$33,472,684</b>	<b>\$33,582,104</b>	<b>\$153.62</b>	<b>\$70,551</b>	<b>100.00%</b>
<b>Construction Cost Recap</b>		<b>41.51%</b>	<b>\$29,188</b>	<b>\$63.56</b>	<b>\$13,893,395</b>	<b>\$13,893,395</b>	<b>\$63.56</b>	<b>\$29,188</b>	<b>41.37%</b>

SOURCES OF FUNDS					TDHCA	APPLICANT	RECOMMENDED	
Raymond James		38.97%	\$27,406	\$59.68	\$13,045,222	\$13,045,222	\$13,045,222	Developer Fee Available
City of Austin		8.96%	\$6,303	\$13.72	3,000,000	3,000,000	3,000,000	\$3,994,830
Raymond James		44.21%	\$31,089	\$67.70	14,798,520	14,798,520	14,798,520	% of Dev. Fee Deferred
Deferred Developer Fees		8.18%	\$5,753	\$12.53	2,738,361	2,738,361	2,628,942	66%
Additional (Excess) Funds Req'd		-0.33%	(\$230)	(\$0.50)	(109,419)	1	(0)	15-Yr Cumulative Cash Flow
<b>TOTAL SOURCES</b>					<b>\$33,472,684</b>	<b>\$33,582,104</b>	<b>\$33,472,684</b>	<b>\$4,423,310</b>

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Malibu Apartments, Austin, 9% HTC #09159

**DIRECT CONSTRUCTION COST ESTIMATE**

Marshall & Swift Residential Cost Handbook  
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$0.00	\$0
<b>Adjustments</b>				
Exterior Wall Finish	0.00%		\$0.00	\$0
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			0.00	0
Floor Cover			0.00	0
Breezeways/Balconies	\$19.79	0	0.00	0
Plumbing Fixtures	\$835	0	0.00	0
Rough-ins	\$410	0	0.00	0
Built-In Appliances	\$1,800	0	0.00	0
Exterior Stairs	\$1,875	0	0.00	0
Enclosed Corridors	(\$9.92)		0.00	0
Heating/Cooling			0.00	0
Garages/Carports	\$0.00	0	0.00	0
Comm &/or Aux Bldgs	\$74.25	0	0.00	0
Other: fire sprinkler	\$2.15	0	0.00	0
<b>SUBTOTAL</b>			0.00	0
Current Cost Multiplier	1.01		0.00	0
Local Multiplier	0.87		0.00	0
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			\$0.00	\$0
Plans, specs, survy, bld prn	3.90%		\$0.00	\$0
Interim Construction Interest	3.38%		0.00	0
Contractor's OH & Profit	11.50%		0.00	0
<b>NET DIRECT CONSTRUCTION COSTS</b>			\$0.00	\$0

**PAYMENT COMPUTATION**

<b>Primary</b>	\$13,045,222	Amort	360
Int Rate	7.50%	DCR	1.22

<b>Secondary</b>	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

<b>Additional</b>	\$14,798,520	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$1,094,569
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$238,985</b>

<b>Primary</b>	\$13,045,222	Amort	360
Int Rate	7.50%	DCR	1.22

<b>Secondary</b>	\$3,000,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.22

<b>Additional</b>	\$14,798,520	Amort	0
Int Rate	0.00%	Aggregate DCR	1.22

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$3,287,952	\$3,353,711	\$3,420,785	\$3,489,201	\$3,558,985	\$3,929,407	\$4,338,383	\$4,789,925	\$5,838,892
Secondary Income	85,680	87,394	89,141	90,924	92,743	102,396	113,053	124,820	152,154
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	3,373,632	3,441,105	3,509,927	3,580,125	3,651,728	4,031,803	4,451,436	4,914,745	5,991,046
Vacancy & Collection Loss	(253,022)	(258,083)	(263,245)	(268,509)	(273,880)	(302,385)	(333,858)	(368,606)	(449,328)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$3,120,610	\$3,183,022	\$3,246,682	\$3,311,616	\$3,377,848	\$3,729,417	\$4,117,578	\$4,546,139	\$5,541,718
<b>EXPENSES at 3.00%</b>									
General & Administrative	\$87,892	\$90,528	\$93,244	\$96,042	\$98,923	\$114,679	\$132,944	\$154,118	\$207,122
Management	119,557	121,948	124,387	126,875	129,412	142,882	157,753	174,172	212,315
Payroll & Payroll Tax	445,707	459,078	472,851	487,036	501,647	581,547	674,172	781,550	1,050,338
Repairs & Maintenance	276,181	284,466	293,000	301,790	310,844	360,353	417,748	484,285	650,838
Utilities	133,346	137,346	141,467	145,711	150,082	173,986	201,698	233,823	314,239
Water, Sewer & Trash	221,808	228,462	235,316	242,376	249,647	289,409	335,505	388,942	522,705
Insurance	64,260	66,188	68,173	70,219	72,325	83,845	97,199	112,680	151,433
Property Tax	259,265	267,043	275,055	283,306	291,805	338,282	392,162	454,623	610,976
Reserve for Replacements	142,800	147,084	151,497	156,041	160,723	186,322	215,998	250,401	336,518
Other	36,240	37,327	38,447	39,600	40,788	47,285	54,816	63,547	85,402
TOTAL EXPENSES	\$1,787,056	\$1,839,472	\$1,893,437	\$1,948,996	\$2,006,197	\$2,318,590	\$2,679,995	\$3,098,141	\$4,141,885
NET OPERATING INCOME	\$1,333,554	\$1,343,550	\$1,353,246	\$1,362,620	\$1,371,651	\$1,410,828	\$1,437,583	\$1,447,998	\$1,399,833
<b>DEBT SERVICE</b>									
First Lien Financing	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569	\$1,094,569
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$238,985	\$248,981	\$258,677	\$268,051	\$277,082	\$316,259	\$343,014	\$353,429	\$305,264
DEBT COVERAGE RATIO	1.22	1.23	1.24	1.24	1.25	1.29	1.31	1.32	1.28

## HTC ALLOCATION ANALYSIS -Malibu Apartments, Austin, 9% HTC #09159

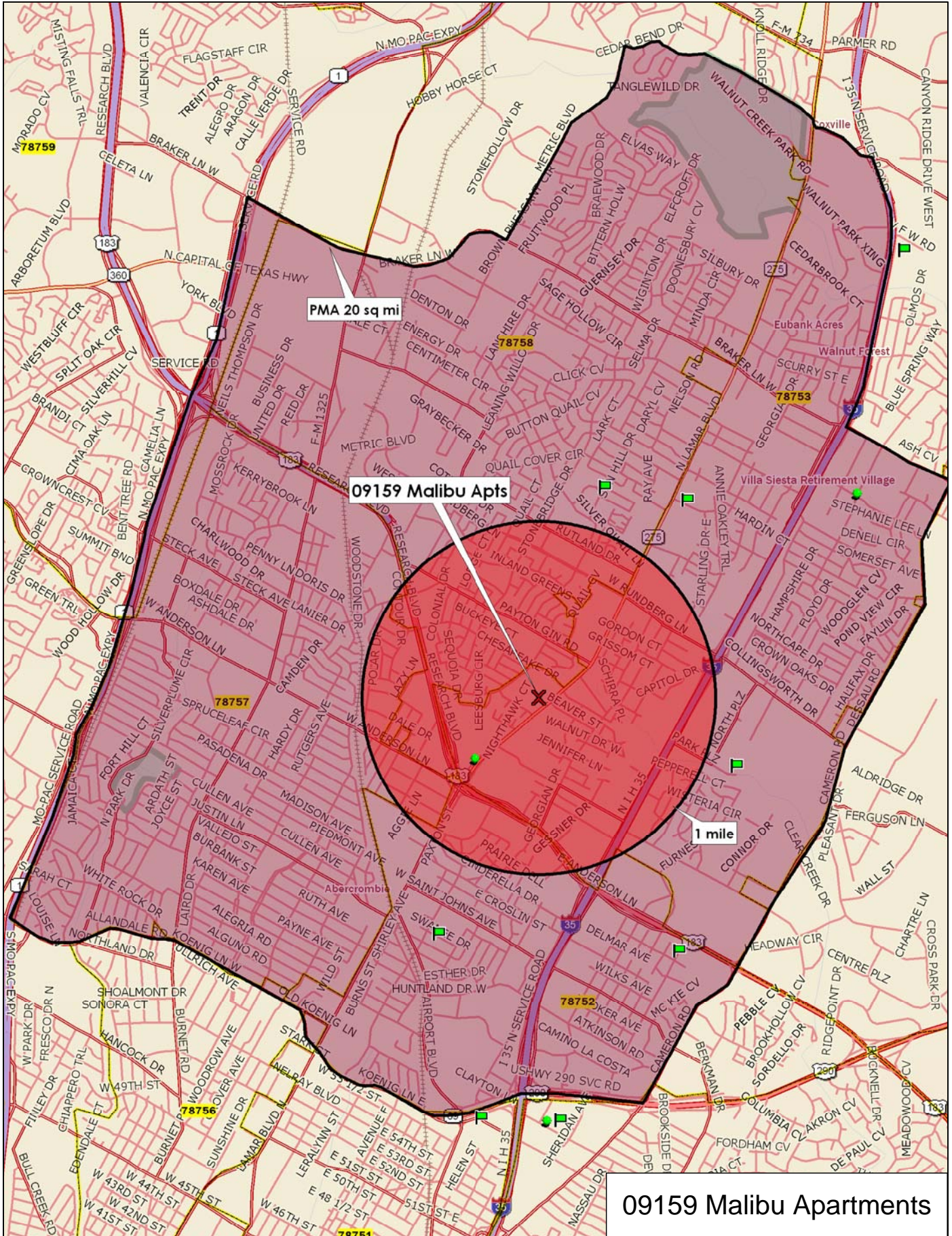
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>Acquisition Cost</b>						
Purchase of land	\$1,755,000	\$2,150,000				
Purchase of buildings	\$11,045,000	\$10,650,000	\$11,045,000	\$10,650,000		
<b>Off-Site Improvements</b>						
<b>Sitework</b>	\$1,391,573	\$1,391,573			\$1,391,573	\$1,391,573
<b>Construction Hard Costs</b>	\$10,053,681	\$10,053,681			\$10,053,681	\$10,053,681
<b>Contractor Fees</b>	\$1,598,903	\$1,598,903			\$1,598,903	\$1,598,903
<b>Contingencies</b>	\$849,238	\$849,238			\$849,238	\$849,238
<b>Eligible Indirect Fees</b>	\$373,750	\$373,750			\$373,750	\$373,750
<b>Eligible Financing Fees</b>	\$1,320,054	\$1,320,054			\$1,320,054	\$1,320,054
<b>All Ineligible Costs</b>	\$716,947	\$716,947				
<b>Developer Fees</b>			\$1,656,750	\$1,597,500	\$2,338,080	\$2,338,080
Developer Fees	\$4,045,000	\$3,935,580				
<b>Development Reserves</b>	\$432,958	\$432,958				
<b>TOTAL DEVELOPMENT COSTS</b>	\$33,582,104	\$33,472,684	\$12,701,750	\$12,247,500	\$17,925,279	\$17,925,279

<b>Deduct from Basis:</b>						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
<b>TOTAL ELIGIBLE BASIS</b>			\$12,701,750	\$12,247,500	\$17,925,279	\$17,925,279
High Cost Area Adjustment					130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$12,701,750	\$12,247,500	\$23,302,863	\$23,302,863
Applicable Fraction			87.53%	87.53%	87.53%	87.53%
<b>TOTAL QUALIFIED BASIS</b>			\$11,118,389	\$10,720,765	\$20,398,000	\$20,398,000
Applicable Percentage			3.42%	3.42%	9.00%	9.00%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$380,249	\$366,650	\$1,835,820	\$1,835,820

Syndication Proceeds 0.7399 \$2,813,561 \$2,712,940 \$13,583,709 \$13,583,709

Total Tax Credits (Eligible Basis Method)	\$2,216,069	\$2,202,470
Syndication Proceeds	\$16,397,270	\$16,296,649
Requested Tax Credits	<b>\$2,000,000</b>	
Syndication Proceeds	\$14,798,520	
Gap of Syndication Proceeds Needed	\$17,536,882	\$17,427,462
Total Tax Credits (Gap Method)	\$2,370,086	\$2,355,298



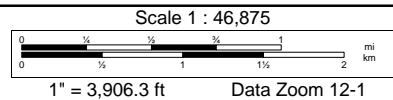
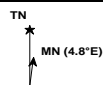


# 09159 Malibu Apartments

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**TMG-TX Austin I, LP**  
141-07 Twentieth Avenue, Suite 507  
New York, New York 11357  
Phone: (212) 661-5015 Facsimile: (212) 661-5771

December 3, 2010

Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
Attn: Valentin De Leon

Re: Malibu Apartments, 8600 N. Lamar Blvd., Austin, Texas

Dear Mr. De Leon,

We are writing to request a waiver from the requirement to include dishwashers in the unit renovation plans for The Malibu Apartments. Malibu is an existing 476 unit community undergoing renovations funded in part through the use of federal exchange funds (TCEP). The rehabilitation of the Malibu Apartments has commenced and is moving forward well. The expansion and renovation of the community center is nearing completion and the first cluster of 88 apartment units is under way.

Over 80% of the apartment units are efficiency or 1 bedroom units with identical kitchens, which are very small. The development has never had dishwashers and the architects did not include them in the renovation plans. The Malibu is largely financed with an FHA insured loan and the plans and specifications have all been reviewed and approved by HUD.

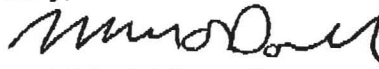
The requirement of dishwashers has been an issue in past rehabilitation projects. HTC application 04609, Creekside Villas (fka Pleasant Village), is a rehabilitation project in Dallas that was unable to meet the Threshold Requirement of having a dishwasher in each unit. Similar to the Malibu Apartments, the Creekside development had space constraints in the kitchen areas, which meant that built-in dishwashers would have displaced needed cabinet space while rollaway dishwashers would have blocked cabinet space. TDHCA staff concurred and stated in the board summary that "the requirement of dishwashers may be more of a disservice to the tenant by removing limited cabinet space in the kitchen." As a substitution to providing dishwashers, the development proposed additional supportive services and wireless internet access. TDHCA staff recommended approval of the substitution. The board summary for this amendment request as well as the transcript from the March 11, 2010, board meeting where the TDHCA Board approved the request is attached.

Following the Creekside Villas amendment request of March 2010, language concerning the dishwasher requirement was changed for the 2011 Housing Tax Credit Qualified Allocation Plan. In 2009, when the Malibu Apartments was awarded credits, the QAP stated the following requirement: "*Disposal and Energy-Star or equivalently rated dishwasher (not required for TRDO-USDA or SRO Developments).*" The full text of this section has been attached. However,

the 2011 QAP states the following requirement: "*Disposal and Energy-Star rated dishwasher (not required for TRDO-USDA or SRO Developments; Rehabilitation Developments exempt from dishwasher if one was not originally in the unit).*" It is clear that TDHCA staff recognizes the difficulty in providing dishwashers in units that do not already provide dishwashers, and has since provided an exemption from the requirement.

Changing the plans to include dishwashers at this point will cause a loss in the very limited space available in these kitchens, as well as some delay in the project due to the need to get revised architectural plans reviewed and approved by HUD. We are in full compliance with all other aspects of the 2009 QAP, and with all of the other commitments made under our application. We have also exceeded many of the commitments we made in our application by providing a greatly enhanced community center and site amenities, as well as providing substantial improvements to the fire alarm and fire safety systems on site – both significant additional benefits to the residents. We will gladly substitute these items for the dishwashers, or make other substitutions as recommended by TDHCA. Accordingly we respectfully request that TDHCA consider our request for a waiver regarding this item on the agenda for its January meeting. We will provide additional details under separate cover.

Sincerely,



Michael O'Donnell  
Chief Operating Officer

Cc: Royce A. Mulholland

(-2-)Sub-metered utility meters on new construction project (excluding new construction senior project) (1 point)

(-g-) energy efficiency (4 points maximum);

(-1-)Three points if Energy Elements include Energy-Star qualified windows and glass doors; and Exterior envelope insulation, vapor barriers and air barriers greater than or equal to Energy Star air barrier and insulation criteria; and HVAC, domestic hot water heater, or insulation that exceeds Energy Star standards or exceeds the IRC 2006;

OR

(-2-)Four points if the project promotes energy efficiency by meeting the requirements of Energy Star for Homes by either complying with the appropriate builder option package or a HERS score of 85.

(-h-) thermally and draft efficient doors (SHGC of 0.40 or lower and U-value specified by climate zone according to the 2006 IECC) (2 points);

(-i-) photovoltaic panels for electricity and design and wiring for the use of such panels (3 points maximum);

(-1-)Photovoltaic panels that total 10 kW (1point);

(-2-)Photovoltaic panels that total 20 kW (2 points);

(-3-)Photovoltaic panels that total 30 kW (3 points)

(-j-) construction waste management and implementation of EPA's Best Management Practices for erosion and sedimentation control during construction (1 point);

(-k-) recycling service provided throughout the compliance period (1 point);

(-l-) water permeable walkways (at least 20% of walkways and parking) (1 point).

(-m-) bamboo flooring, wool carpet, linoleum flooring, straw board, poplar OSB, or cotton batt insulation (50% of flooring on the ground floor of the development must be finished concrete and/or ceramic tile. 50% of the flooring on upper floors must be ceramic tile and/or a flooring material that is Floor Score Certified (developed by the Resilient Floor Covering Institute), applied with a Floor Score Certified adhesive and comes with a minimum 7-year wear through warranty. (2 points);

(B) A certification that the Development will have all of the following Amenities at no charge to the tenants. All New Construction or Reconstruction Units must provide the amenities in clauses (i)-(viii) of this subparagraph. Rehabilitation (excluding Reconstruction) and Adaptive Reuse must provide the amenities in clauses (ii) - (ix) of this subparagraph unless expressly identified as not required. (\$2306.187)

(i) All New Construction Units must be wired with RG-6 COAX or better and CAT3 phone cable or better, wired to each bedroom, dining room and living room;

(ii) Blinds or window coverings for all windows;

(iii) Disposal and Energy-Star or equivalently rated dishwasher (not required for TRDO-USDA or SRO Developments);

(iv) Energy-Star or equivalently rated (not required for SRO Developments) Refrigerator;

(v) Oven/Range (not required for SRO Developments);

(vi) Exhaust/vent fans (vented to the outside) in bathrooms;

(vii) Energy-Star or equivalently rated ceiling fans in living areas and bedrooms; and

(viii) Energy-Star or equivalently rated lighting in all Units, which may include compact florescent bulbs.

(C) A certification that the Development will meet the minimum threshold for size of Units as provided in clauses (i) - (v) of this subparagraph. These minimum requirements are not associated with the Selection Criteria points in subsection (i) of this section. Developments proposing Rehabilitation (excluding Reconstruction) or Single Room Occupancy will not be subject to the requirements of this subparagraph.

(i) 550 square feet for an efficiency Unit;

(ii) 650 square feet for a non-elderly one Bedroom Unit; 550 square feet for an elderly one Bedroom Unit;

(iii) 900 square feet for a non-elderly two Bedroom Unit; 700 square feet for an elderly two Bedroom Unit;

(iv) 1,000 square feet for a three Bedroom Unit; and

(v) 1,200 square feet for a four Bedroom Unit.



counties with populations exceeding one million. For purposes of this chapter, any two sites not more than one linear mile apart are deemed to be "in a single community." (§2306.6711(f)) This restriction does not apply to the allocation of Housing Tax Credits to Developments financed through the Tax-Exempt Bond program, including the Tax-Exempt Bond Development Applications under review and existing Tax-Exempt Bond Developments in the Department's portfolio; and (§2306.67021)

(13) Unacceptable Sites. Developments will be ineligible if the Development is located on a site that is determined to be unacceptable by the Department, based on the evaluation factors identified in the Site Evaluation form, augmented by any other inspections or other documented findings of the Department. The Department will advise the Applicant if it makes an initial finding that a proposed site is unacceptable and provide the applicant with a reasonable opportunity to address any identified concerns. If in the Department's reasonable judgment the Applicant is not able to address adequately the Department's concerns regarding the site, the Department will issue a determination that the site is unacceptable. If not appealed in accordance with §49.10(d) of this chapter (relating to Appeals Process), this determination becomes final.

(14) A Development that does not provide all of the following amenities will be considered ineligible. These amenities must be at no charge to the tenants. All New Construction, Reconstruction or Adaptive Reuse Units must provide the amenities in subparagraphs (A) - (M) of this paragraph. Rehabilitation Developments must provide the amenities in subparagraphs (C) - (M) of this paragraph unless expressly identified as not required. (§2306.187) Deviations for good cause, by which one or more of the foregoing will not be provided, must be approved prior to award and the request for such deviation must be included in the Application. The Executive Director may issue such approvals. Requests not approved may be appealed to the Board in accordance with §49.10(d) of this chapter.

(A) All New Construction Units must be wired with RG-6 COAX or better and CAT3 phone cable or better, wired to each bedroom, dining room and living room;

(B) Laundry Connections;

(C) Blinds or window coverings for all windows;

(D) Screens on all operable windows;

(E) Disposal and Energy-Star rated dishwasher (not required for TRDO-USDA or SRO Developments; Rehabilitation Developments exempt from dishwasher if one was not originally in the unit);

(F) Energy-Star rated refrigerator;

(G) Oven/Range;

(H) Exhaust/vent fans (vented to the outside) in bathrooms;

(I) Energy-Star rated ceiling fans in living areas and bedrooms;

(J) Energy-Star rated lighting in all Units which may include compact florescent bulbs;

(K) Plumbing fixtures (toilets and faucets) must meet design standards at 30 TAC §290.252;

(L) All Units must be air-conditioned; and

(M) Fire sprinklers in all Units where required by local code.

#### *§49.5. Site and Development Restrictions.*

(a) Floodplain. Any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the one-hundred (100) year floodplain. No buildings or roads that are part of a Development proposing Rehabilitation (excluding Reconstruction) with the exception of Developments with existing and ongoing federal funding assistance from HUD or TDRO-USDA, will be permitted in the one-hundred (100) year floodplain unless they already meet the requirements established in this subsection for New Construction, or if the Unit of General Local Government has undertaken mitigation efforts and can establish that the property is no longer within the one-hundred (100) year floodplain.

They're asking an amendment modification for the site plan, five buildings instead of eight, and four of the market-rate units, the two-bedroom units actually had one bathroom instead of two bathrooms. The owner indicated they've had additional landscaping, irrigation, access to a fitness center 24 hours, after-hours access, additional gates and fencing and a gazebo, and staff is recommending approval.

MS. RAY: Mr. Chairman?

MR. CONINE: Yes, ma'am, Ms. Ray.

MS. RAY: Do we have any comments on that one?

MR. CONINE: Let's see. No, we do not.

MS. RAY: I move staff's recommendation.

MR. CONINE: Motion to approve staff recommendation. Do I hear a second?

MR. KEIG: Second.

MR. CONINE: Second by Mr. Keig. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: Motion carries.

MS. MEYER: Mr. Chairman, the next development is Creekside Village. It was a bond transaction that the Department was the



issuer. This development was an acquisition rehab in Dallas, it's also affiliated with another development on the same block just around the corner. With this particular development, they failed to install two threshold items, dishwashers and ceiling fans in all living rooms and bedrooms. Subsequently, to their initial amendment request, they did agree to install ceiling fans in all the living rooms and bedrooms, they've agreed to additional supportive services and wireless internet services for their tenants, but they still have the omission of the dishwashers

The Department rules do not include a provision for substitution of threshold amendments or provide that staff recommend substitutes for those requirements. However, staff does believe that for this development the requirements of dishwashers may be more of a disservice to the tenants because it takes away from the cabinet space in the kitchen.

The additional services and the wireless services will provide an improved quality of life for these tenants. Staff recommends the Board accept the amendment request as presented by staff and allow the replacement of dishwashers with the additional supportive services and wireless internet to the completion of the installation of the ceiling fans.

MR. CONINE: I have one witness affirmation form that's available for questions if the Board needs to; otherwise, I'd entertain a motion.

MR. KEIG: I have questions but I can wait.

MR. CONINE: Oh, no, go ahead and ask your questions.

MR. KEIG: Have we ever approved a development without dishwashers?

MS. MEYER: Has the Board?

MR. KEIG: No, the Department. Have we ever had a development that did not have dishwashers?

MS. MEYER: Yes, sir.

MR. KEIG: And do you recall when that was, roughly, and where it was?

MS. MEYER: It was in the Valley and they had other substitute amenities, but yes, it was in the Valley.

MR. CONINE: My recollection is it was similar to this in that the configuration of the existing unit didn't have enough room and you just wipe out the total cabinet space when you try to put something like that in.

MR. KEIG: It seems to beg the question to say it's a disservice to the residents to put it in, if it was a designed to be thing to begin with and was a threshold item.

MR. GOURIS: This is a rehab.

MR. KEIG: I mean, there's no way to further rehab to gain some space to put those in, I assume.

MR. GOURIS: They're pretty small units, and what we've seen in the past is that sometimes because they're such small units that when we've required it, the tenant has just used it as a counter space or used it as storage space because they have to have it.

MR. KEIG: And they didn't have dishwashers to begin with?

MR. GOURIS: That's correct.

MR. KEIG: Okay, thanks.

MR. CONINE: Any other questions.

MR. GERBER: I would say on this and the other property that this developer, we have worked with them very well and they have stood up. They understood the frustrations we shared, Mr. Keig, not meeting these scheduled items, they stood up on the fans and some of the other supportive services that we felt are key, and that's why we came forward today with the approval. But the point is well taken, we expect those threshold items to be met, and a dishwasher really contributes to the quality of life on the properties.

MR. KEIG: I move we approve staff's recommendation.

MR. CONINE: Motion by Mr. Keig to approve staff recommendation.

MS. RAY: Second.

MR. CONINE: Second by Ms. Ray. Any further discussion?

(No response.)

MR. CONINE: Seeing none, all those in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: Motion carries.

MS. MEYER: The next amendment is Heritage Park Vista, it is a request to reduce the site by 2.6 acres. It is providing access to the development's frontage to a bike trail that runs in the green belt behind the development site, approximately 1,400 feet from the site's frontage property.



**HTC No. 04609, Creekside Villas (fka Pleasant Village)**

Summary of Request: This development was an acquisition and rehabilitation in Dallas funded with private activity bonds through the Department. The owners of this property are affiliated another property (Trinity Trails (fka Grove Village)) that is located on the same city block, around the corner from this development. The current property failed to meet the two Threshold requirements of having a dishwasher in each unit and having ceiling fans in the living rooms and all bedrooms of each unit.

This development consisted of the rehabilitation of existing units without significant changes in the configuration of the units and there were no dishwashers in the subject property when the rehabilitation commenced. Regarding the requirement to have dishwashers, staff's conversations with the owner indicated a willingness to provide rollaway dishwashers as well as dishwashers under the counter. The owner provided an estimated cost of installation of \$80,000 for the former and \$181,170 for the latter. However, the kitchen space in all unit types is limited and dishwashers would either inconveniently block access to cabinets or would displace cabinets. In either case, the kitchen spaces make dishwashers of questionable benefit. Plans of the kitchen space are provided with the owner's letter of request and supporting documents.

The owner has agreed to provide the ceiling fans as required by Threshold, additional supportive services and wireless internet services as reasonable alternatives for consideration by the Board for the omission of the dishwashers.

The property is under two Housing Assistance Program contracts covering 130 units. In the same manner as the associated development above, this development is required, by the City of Dallas Resolution of Support, to maintain additional supportive services in the amount of \$200 per unit per year for the duration of the affordability period. These supportive services are the services referenced in the owner's letter as additional or enriched supportive services. The owner states that additional staff have been hired to administer the services. The estimated annual value of the additional supportive services is \$74,368 which is \$34,386 more than the annual amount represented in the original application.

Additionally, the owner proposes to provide high speed wireless internet service that would be accessible throughout the property. The internet proposal would give the tenants free wireless internet service for two years and optional wireless service after the second year for ten dollars per month. Other amenities that the owner proposed to compensate for the deficiencies above included a gazebo, service coordinator's office, library, sport court and sand volleyball court. The owner's letter estimated the cost of these items as \$8,975. Plans that show some of these amenities are included in the owner's letter. Staff confirmed that these were additional items that were not originally proposed in the application.

The Department Rules do not include a provision for substitutions of thresholds elements or provide for staff to recommend substitutes for requirements of Threshold. However, staff does believe in this development, the requirement of dishwashers may be more of a disservice to the tenant by removing limited cabinet space in the kitchen in order to install the unit and the additional services and wireless services will provide an improved quality of life overall for the tenants. The 2004 QAP as well as the current QAP include a section regarding the Board's waiver of any one or more of the Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as

determined by the Board. Since a waiver is not being sought by the owner, no documentation to support such a good cause determination has been provided.

Owner: Pleasant Village Apartments Limited Partnership  
General Partner: Walker Guardian LLC  
Developers: Guardian Affordable Housing Developers; Walker Bridge LLC  
Principals/Interested Parties: Thomas Brenneke and Rob Walker  
Syndicator: WNC & Associates  
Permanent Lender: U.S. Bank  
City/County: Dallas/Dallas  
Set-Aside: Tax-Exempt Bond Transaction; TDHCA Issuer  
Type of Area: Urban  
Region: 3  
Type of Development: Acquisition/Rehabilitation  
Population Served: General Population  
Units: 200 HTC units  
2004 Allocation: \$370,152  
Allocation per HTC Unit: \$1,851  
Prior Board Actions: 7/04 – Approved award of tax credits  
REA Recommendation: Analysis indicates that the changes do not negatively impact the underwriting of the transaction and a change in the credit amount is not warranted at this time.

**Staff Recommendation: Staff recommends the Board accept the amendment request as presented by staff.**

<b>MALIBU APARTMENTS UNIT AND COMMON AMENITIES</b>		
<b><u>Unit Amenities and Quality:</u></b>	<b><u>Selected in Application</u></b>	<b><u>Current Status</u></b>
Covered entries	Yes	Included in plans
Microwave ovens	Yes	Included in plans
Ceiling fixtures in all rooms	Yes	Included in plans
Covered Patios/Balconies	No	We initially identified a need to replace 50% of the balconies and repair the structures as needed. We have since increased our scope to replace 100% of the balconies and substantially replace the structural elements.
Covered Parking	Yes	Included in plans
100% masonry on exterior	Yes	Included in plans
14 SEER HVAC air conditioners, etc.	No	During the two years prior to our purchase 148 new condenser units and condenser pads were replaced at the property. Our renovation includes the replacement of the remaining 328 units with new 14 SEER HVAC units, improving service to tenants and reducing their energy bills. (Total cost approximately \$900,000)
High speed internet service provided to all units at no cost to residents.	Yes	Included in plans
Fire sprinklers in all units	No	As a change order (\$203,000) we are installing a new state of the art Edwards Systems Technology (EST) fire alarm/life safety system to cover the entire property. This includes control panels and communicators in each of the six main areas (the five apartment clusters and the clubhouse), 60 pull stations, 60 exterior horn/strobes, 476 unit horns, smoke detectors and other elements. This system will provide greatly enhanced safety and communication on the property including unit specific unit horns for alarms.
<b><u>Common Amenities:</u></b>		
Full perimeter fencing	Yes	Included in plans. We have substantially increased the scope quality for added security.
Controlled access gates	No	We have added controlled gate access to the fencing plan for the property with each tenant having a remote to access. (Total cost approximately \$30,000)
Gazebo with sitting area	No	We have added a gazebo structure to provide shade to the new playground and seating area. (Total cost approximately \$20,000)
Community laundry room	Yes	Included in plans, there are three laundry centers, two are being significantly renovated and the third is totally being totally renovated.
Barbecue grills and picnic tables	No	We have added a gas barbecue grill and tables. (See below)
Covered pavilion that includes barbecue grills and picnic tables	No	We have added a covered pavilion near the swimming pool that includes a gas barbecue grill and tables. (Total cost approximately \$20,000)



Swimming pool	Yes	Included in plans. We have also installed an all new filtration system and are installing a new deck surface.
Furnished fitness center	Yes	Included in plans
Business Center or equipped computer learning center	No	Included in plans, see Community Theater Room entry below.
Furnished Community Room	Yes	Included in plans
Enclosed Sun porch or covered porch	Yes	Included in plans
Childrens playscape or tot lots	Yes	Included in plans
Community theater room	No	The existing clubhouse is being completely renovated and transformed. An additional 1,200 square feet of newly constructed community space is being added. This provides for the Furnished Community Room and the Furnished Fitness Center we promised to provide. (Total cost approximately \$390,000, about \$200,000 of this attributable to the expansion and additional square footage and rooms described below)In addition to these spaces, we are providing a fully outfitted 350 square foot computer learning center with room for 20 stations, as well as a large community "Great Room". These two additional rooms more than double the space available for tenants to utilize day to day as well as for supportive services. They allow us to provide multiple services at the same time while still having amenities available to other tenants not taking part in a given activity. The entire clubhouse is covered by a free Wi-Fi network so computers may be used throughout the facility.The great room includes a full Community Theater set-up including a 120" screen projector and a full Bose surround sound system. Off the great room is a newly built kitchen as well.
<b>Green Building Amenities</b>		
Water conserving features	No	The faucets and showerheads throughout the property are being replaced with low-flow models. (The toilets are already low-flow models.) (Total cost approximately \$25,000) This will save tenants money as they pay for water usage.
<b>Other Items Added to project:</b>		
New Mailboxes and Kiosk	No	The old mailbox area is being demolished and a newly designed mailbox pavilion has been built adjacent to the clubhouse. This will provide a greatly improved facility and also provide more surveillance of the mailboxes, enhancing both convenience and safety for our tenants.
Windows and Doors	No	All apartments are getting low-e, insulated glass windows and new entrance doors with weatherstripping. All units with sliding glass doors are getting new low-e, insulated glass sliding doors. These doors and windows will reduce energy use and save the tenants money.
Apartment Flooring	No	Apartment floors (other than bathroom and kitchens) are being covered in a high quality commercial vinyl flooring - Karndean Van Gogh flooring. This high quality flooring comes with a 15 year manufacturers warranty, assuring durable good looking floors and minimizing waste from multiple floor replacements.

**TMG-TX Austin I, LP**  
141-07 Twentieth Avenue, Suite 507  
New York, New York 11357  
Phone: (212) 661-5015 Facsimile: (212) 661-5771

December 8, 2010

Valentin DeLeon  
Multifamily Housing Specialist  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Re: Malibu Apartments, 8600 N. Lamar Blvd., Austin, Texas

Dear Mr. DeLeon,

We are writing as a follow-up to our letter of December 3<sup>rd</sup> requesting that TDHCA consider our request for an amendment to our application. As a substitution for the threshold requirement of dishwashers, we proposed an enhanced community center and fire alarm and fire safety improvements. This letter and its attachments will provide the additional details supporting our request

As we noted, the Malibu Apartments development has never had dishwashers in any of the units. During the rehabilitation of the first cluster of apartments, we have determined that the addition of dishwashers is problematic due to the kitchen layout, the small kitchen size and the lack of cabinet space. Over 80% of the apartment units are efficiency or 1 bedroom units with identical kitchens, which are very small. Based on kitchen configuration and cabinet space, we believe that the addition of new dishwashers will be difficult and detract from the overall kitchen spaces.

The issue of dishwashers has been raised in the context of rehabilitation projects before. As you are aware, and as we discussed in our December 3<sup>rd</sup> letter, certain amendments have been approved by TDHCA in this regard. In the 2011 QAP TDHCA has eliminated the threshold requirement for dishwashers in rehabilitation projects where dishwashers were not previously present.

In our application we made commitments to provide certain Unit and Common Amenities. Looking at the entire project, we have substantially exceeded these commitments. These additional services and facilities, described below, will provide an improved quality of life for our tenants. We request that they be accepted as substitutions for the dishwasher requirement.

Unit Amenities:

- There are existing patios and balconies, but they are in very poor repair. We are reconstructing all of the covered patios and balconies. The balconies provide the covering for the patios. Each balcony is having its structure repaired or replaced as needed and all balcony decking is being removed and replaced.
- During the two years prior to our purchase 148 new condenser units and condenser pads were replaced at the property. Our renovation includes the replacement of the remaining 328 units with new 14 SEER HVAC units, improving service to tenants and reducing their energy bills. (Total cost approximately \$900,000)

Common Amenities:

- We have added controlled gate access to the fencing plan for the property. (Total cost approximately \$30,000)
- We have added a gazebo structure to provide shade to the new playground and seating area. (Total cost approximately \$20,000)
- We have added a covered pavilion near the swimming pool that includes a gas barbecue grill and tables. (Total cost approximately \$20,000)
- The existing clubhouse is being completely renovated and transformed. An additional 1,200 square feet of newly constructed community space is being added. This provides for the Furnished Community Room and the Furnished Fitness Center we promised to provide. (Total cost approximately \$390,000, about \$200,000 of this attributable to the expansion and additional square footage and rooms described below)

In addition to these spaces, we are providing a fully outfitted 350 square foot computer learning center with room for 20 stations, as well as a large community "Great Room". These two additional rooms more than double the space available for tenants to utilize day to day as well as for supportive services. They allow us to provide multiple services at the same time while still having amenities available to other tenants not taking part in a given activity. The entire clubhouse is covered by a free Wi-Fi network so computers may be used throughout the facility.

The great room includes a full Community Theater set-up including a 120" screen projector and a full Bose surround sound system.

Off the great room is a newly built kitchen as well. The great room also features moveable chairs so it can be configured and used for multiple functions – such as parties, meals or educational uses. The main supportive services to be provided to tenants, including educational programs for nutrition, English as a second language, job placement and lecturers will be held in this room

- The faucets and showerheads throughout the property are being replaced with low-flow models. (The toilets are already low-flow models.) (Total cost approximately \$25,000)

- The old mailbox area is being demolished and a newly designed mailbox pavilion has been built adjacent to the clubhouse. This will provide a greatly improved facility and also provide more surveillance of the mailboxes, enhancing both convenience and safety for our tenants.

- As a change order (\$203,000) we are installing a new Edwards Systems Technology (EST) fire alarm/life safety system to cover the entire property. This includes control panels and communicators in each of the six main areas (the five apartment clusters and the clubhouse), 60 pull stations, 60 exterior horn/strobes, 476 unit horns, smoke detectors and other elements. This system will provide greatly enhanced safety and communication on the property.

At every opportunity we have added features and amenities to enhance the experience of living at the Malibu Apartments, and to improve safety and security on site – prime concerns of our tenants. We are not raising the issue of the dishwashers to save money – the total cost of the items listed above greatly exceeds the cost of the dishwashers (about \$238,000). Changing the plans to include dishwashers at this point will cause a loss in the very limited space available in these kitchens, as well as some delay in the project due to the need to get revised architectural plans reviewed and approved by HUD.

Overall we feel the amendment proposed will provide the most improved quality of life for our tenants. We understand that TDHCA does not grant amendments except under exceptional circumstances, but the Malibu is somewhat unique in the small size of its units and the unit mix which is heavily skewed toward the small efficiencies and one bedrooms. Accordingly we respectfully request that TDHCA consider our request for an amendment of our application: as a substitution for the threshold requirement of dishwashers, we propose enhanced unit and common amenities, including an enhanced community center and fire alarm and fire safety improvements as described above.

Sincerely,



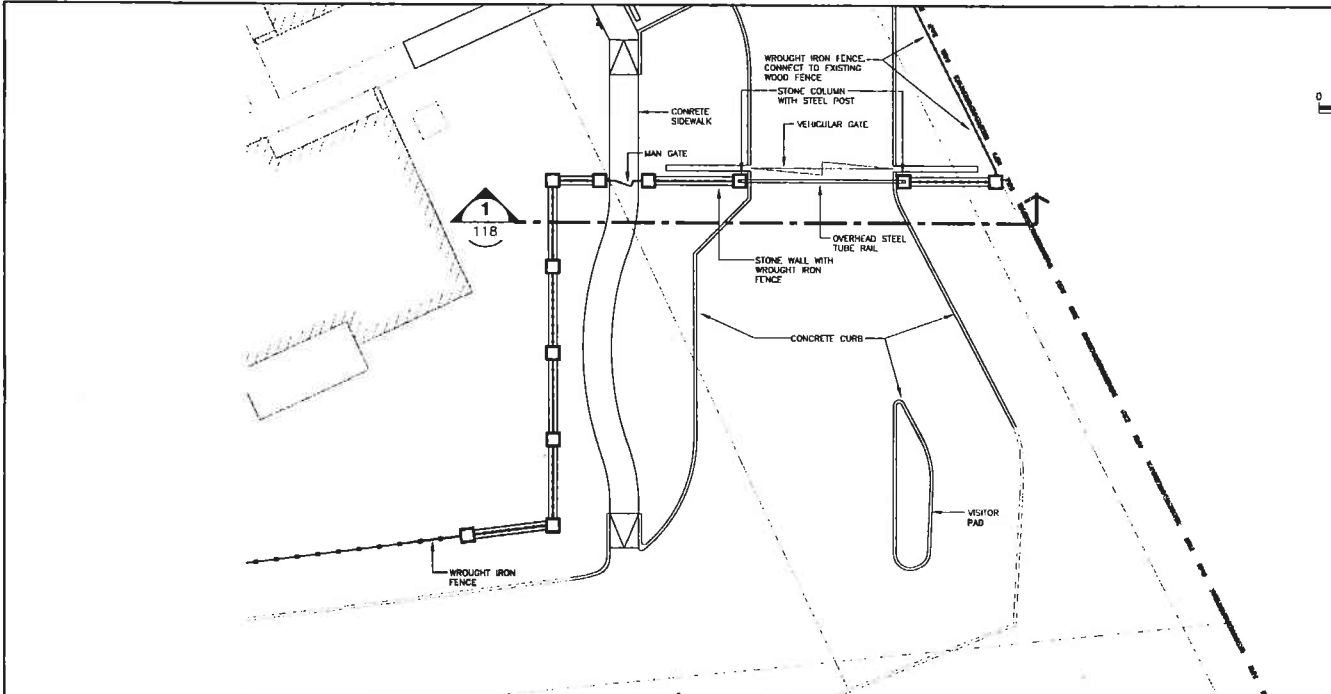
Michael O'Donnell  
Chief Operating Officer

Cc: Royce A. Mulholland

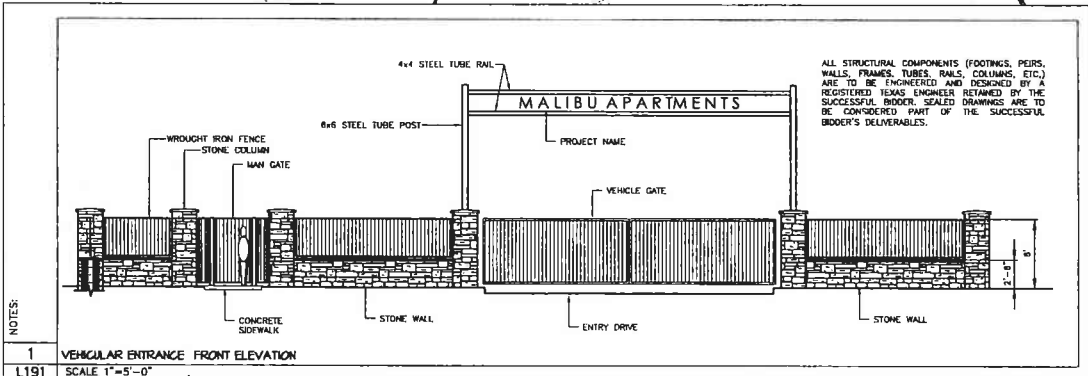
Attachments:

- Controlled Gate Access
- Covered Play area
- Covered Pavilion
- Unit Floor Plans
- Community Center Plans
- Mail Kiosk
- Fire Safety Proposal

# Controlled Gate Access

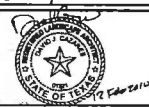


- GENERAL NOTES
1. ALL DIMENSIONS ARE FACE OF CURB TO FACE OF CURB UNLESS NOTED OTHERWISE.
  2. USE DIMENSIONAL INFORMATION SHOWN ON PLANS. DO NOT SCALE DRAWINGS.
  3. CONTRACTOR TO VERIFY EXISTING CONDITIONS AND REPORT ANY DISCREPANCIES TO ENGINEER BEFORE STARTING CONSTRUCTION.
  4. CONTRACTOR TO VERIFY PROPOSED DIMENSIONS AND REPORT ANY DISCREPANCIES TO ENGINEER BEFORE STARTING CONSTRUCTION.
  5. NEW PAVEMENT SHALL ALIGN WITH EXISTING PAVEMENT, VERTICALLY AND HORIZONTALLY, PAVING AT JOINTS IS NOT ACCEPTABLE.
  6. SAW CUT EXISTING ASPHALT PAVEMENT WHERE NEW ASPHALT PAVEMENT MEETS EXISTING ASPHALT PAVEMENT.
  7. SAW CUT EXISTING CONCRETE PAVEMENT WHERE NEW CONCRETE PAVEMENT MEETS EXISTING CONCRETE PAVEMENT.
  8. PROVIDE A CROSS SLOPE (MINIMUM 0.5% MAXIMUM 2.0%) ON ALL CONCRETE SIDEWALKS IN THE DIRECTION OF SURFACE DRAINAGE, UNLESS OTHERWISE SHOWN (REFER DRAWING & LANDSCAPE PLANS).
  9. ALL ACCESSIBLE PARKING SPACES, ROUTES, CURB RAMP, SIGNAGE, ETC. SHALL FULLY COMPLY WITH ALL APPLICABLE REQUIREMENTS OF THE TEXAS ACCESSIBILITY STANDARDS AND ADA.



NOTES:  
 1 VEHICULAR ENTRANCE FRONT ELEVATION  
 SCALE 1"=5'-0"

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**mwm**  
 Design Group

805 East Northwest Drive  
 Suite 200  
 Irving, Texas 75014  
 P: 972-453-0967  
 F: 972-453-1234

TEXAS BOARD OF PROFESSIONAL ENGINEERS  
 LICENSE NO. 11118

NO	DATE	DESCRIPTION	BY

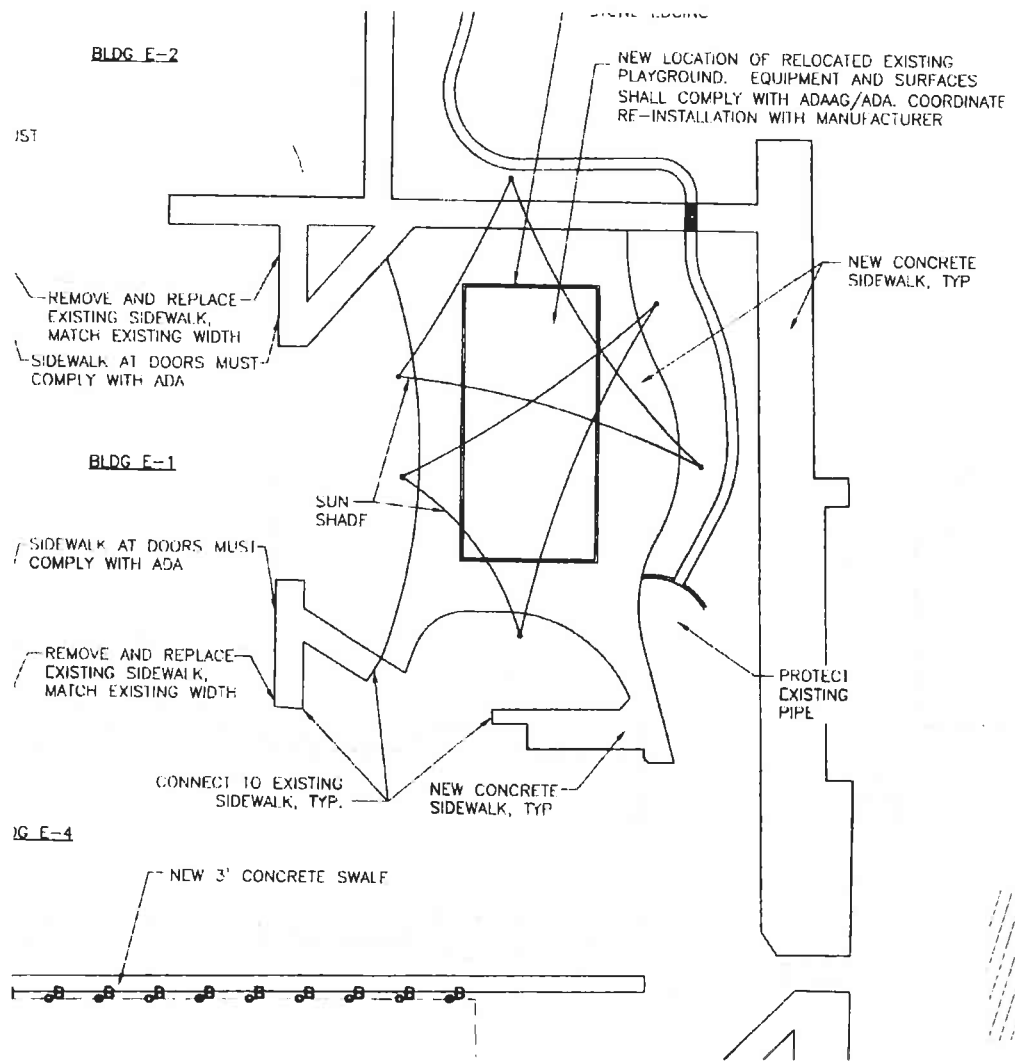
**SITE PLAN**  
**VEHICULAR ENTRANCE**

MALIBU APARTMENTS

PLOTTED: 2/12/2010  
 JOB NO: 532-01  
**118**

09993

# Covered Play Area



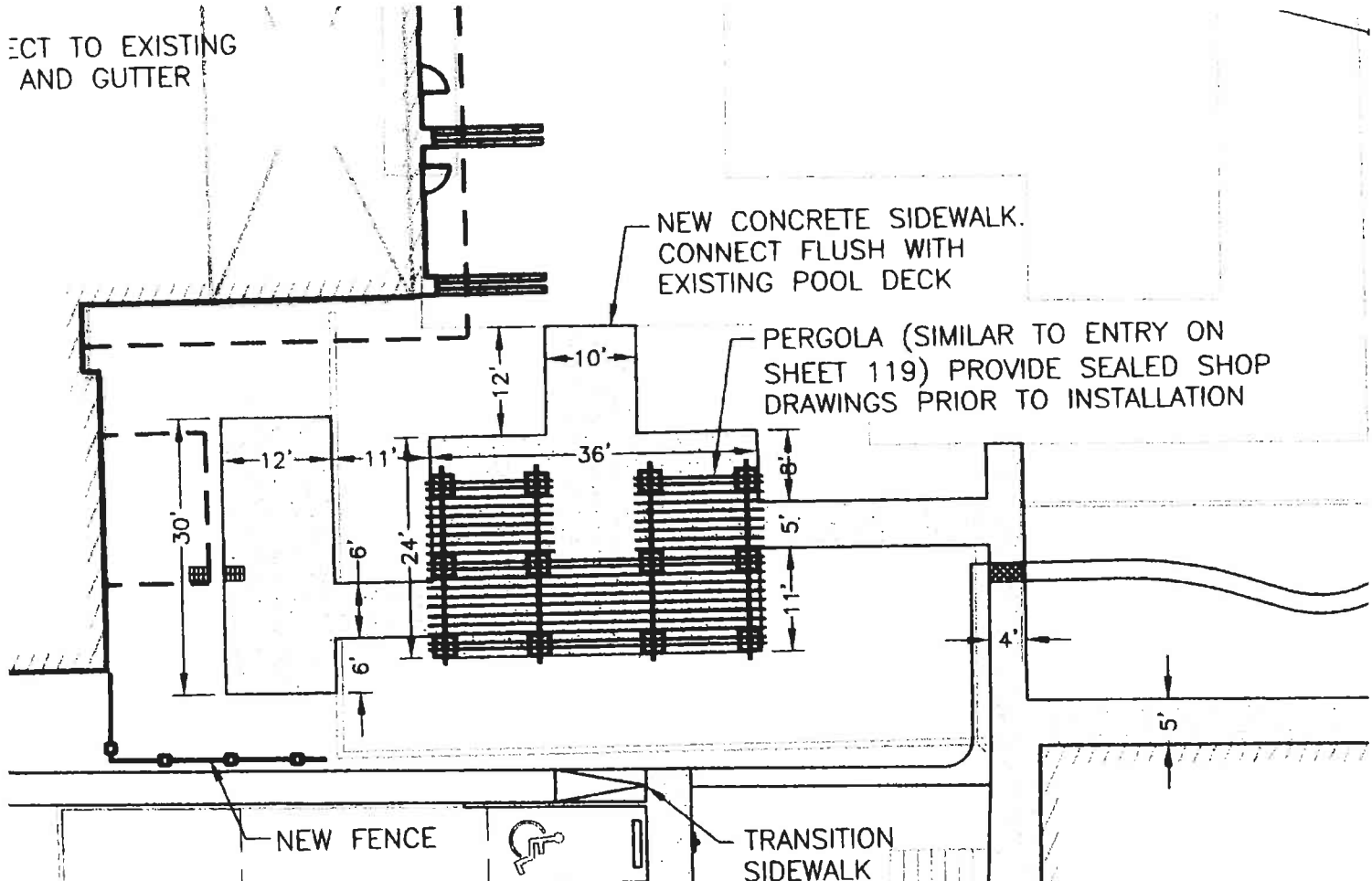
SITE PLAN NOTES

1. CURB AND GUTTER, REF. DETAIL 6/893
2. LAYDOWN CURB, REF: DETAIL 6/893
3. CONCRETE SIDEWALK, REF: DETAIL 3/893
4. TRANSITION SIDEWALK, REF: DETAIL 4/893
5. ASPHALT PAVEMENT, REF: DETAIL 3/893
6. CURB RAMP, REF: DETAIL 2/893
7. CRUSHED GRANITE WALK, REF: DETAIL 8/894
8. DUMPSTER PAD, REF: DETAIL 3/894
9. CONCRETE SWALE, REF: DETAIL 5/894 & 6/894
10. 3/8" PEA GRAVEL, REF: DETAIL 7/894
11. LIMESTONE EDGING, REF: DETAIL 6/891
12. NON-SKID STEEL PLATE IN SIDEWALK, REF: DETAIL 4/894
13. STONE SEAT WALL, REF: DETAIL 1/894
14. WHEEL STOP, REF: DETAIL 9/893
15. ACCESSIBLE SIGN, REF: DETAIL 11/893
16. BOLLARD, REF: DETAIL 10/893
17. WROUGHT IRON FENCE, AMERISTAR FENCE PRODUCTS, PASSPORT 2, 3 RAIL WITH RINGS.
18. STONE WALL WITH WROUGHT IRON FENCE, AMERISTAR FENCE PRODUCTS, REFERENCE SHEET 118 AND 119
19. SUN SHADE, REFERENCE SUN PORTS (ROB EDGAR 800-966-5005) SUNSHADE: PROVIDE TENSION STRUCTURE WITH TWO SAILS, 3-4 CONNECTION POINTS EACH. PROVIDE SHOP DRAWINGS FOR INSTALLATION OF SUNSHADE INCORPORATING PLAY STRUCTURE. COORDINATE INSTALLATION (COLOR, FABRIC, ETC) WITH MANUFACTURER AND OWNER.
20. CONCRETE HEADWALL, REF: DETAIL 2/894

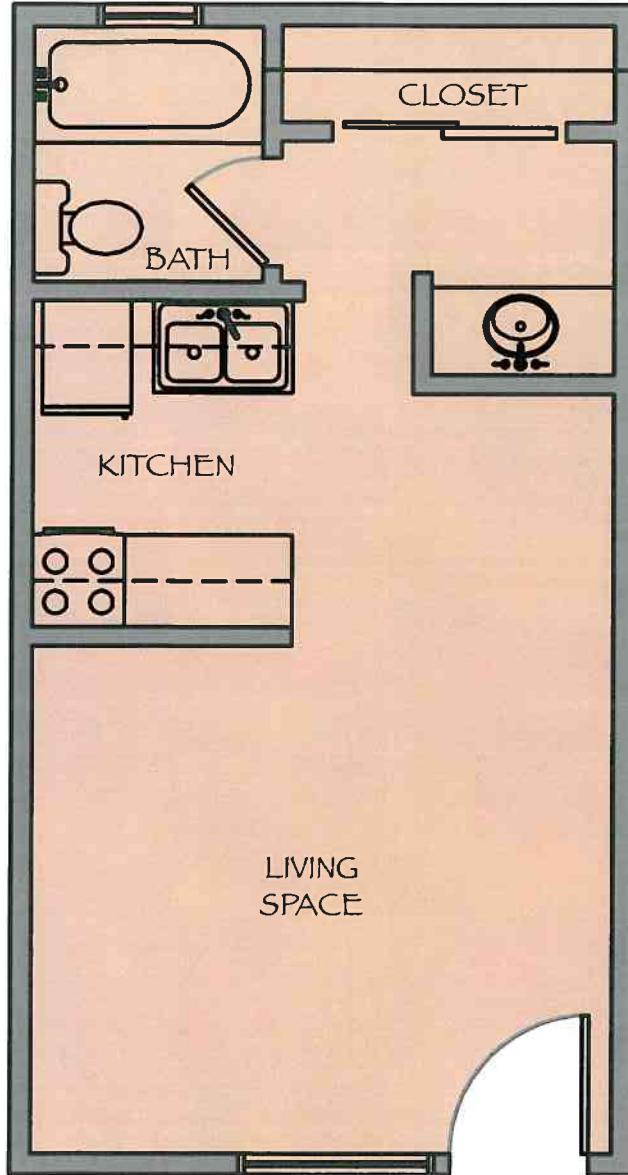


# **Covered Pavilion**

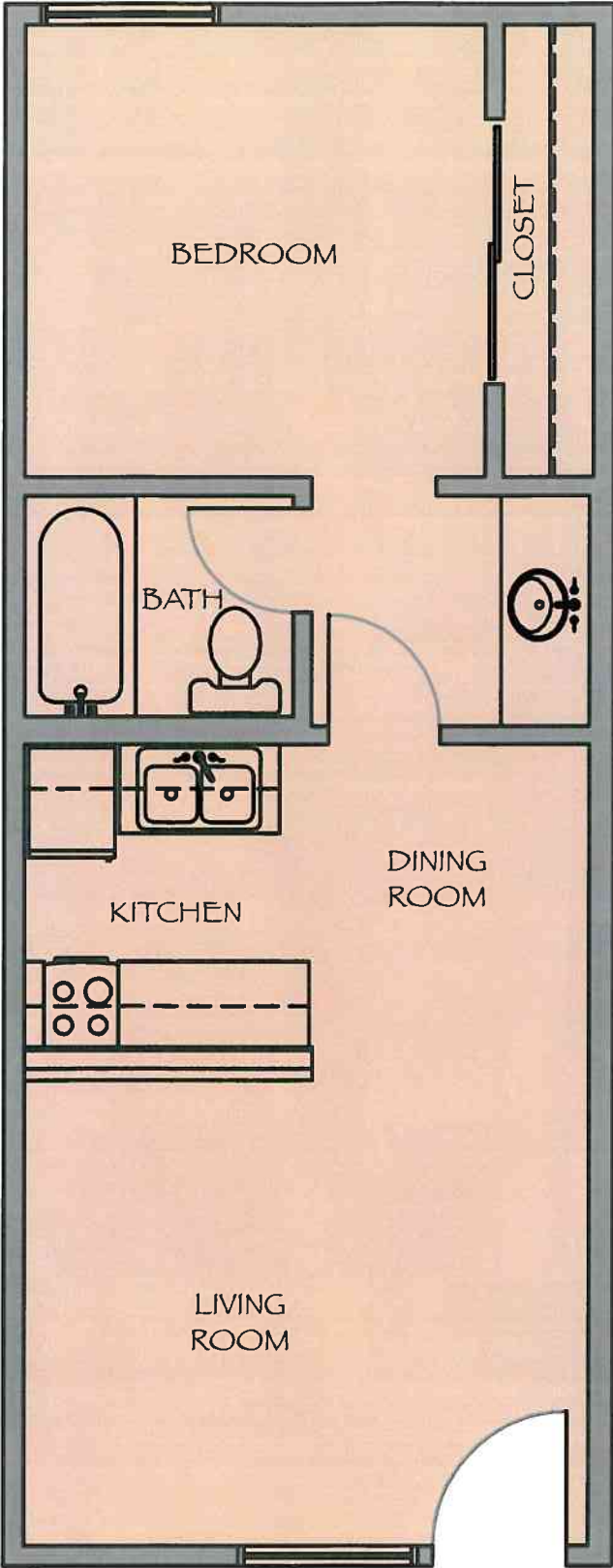
**(Adjacent to Gas Grills and Swimming Pool)**



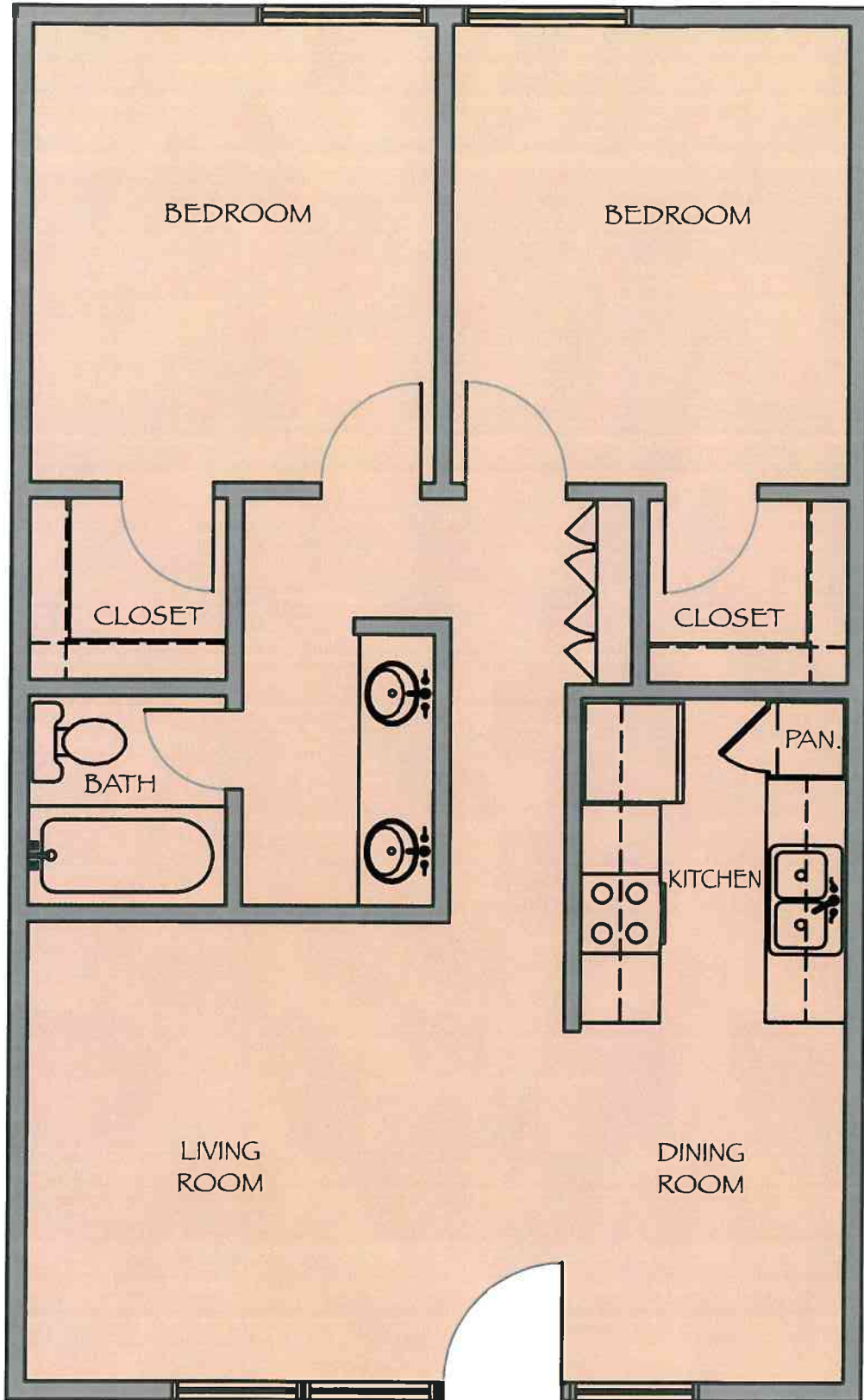
# Unit Floor Plans



Studio  
350 Square Feet

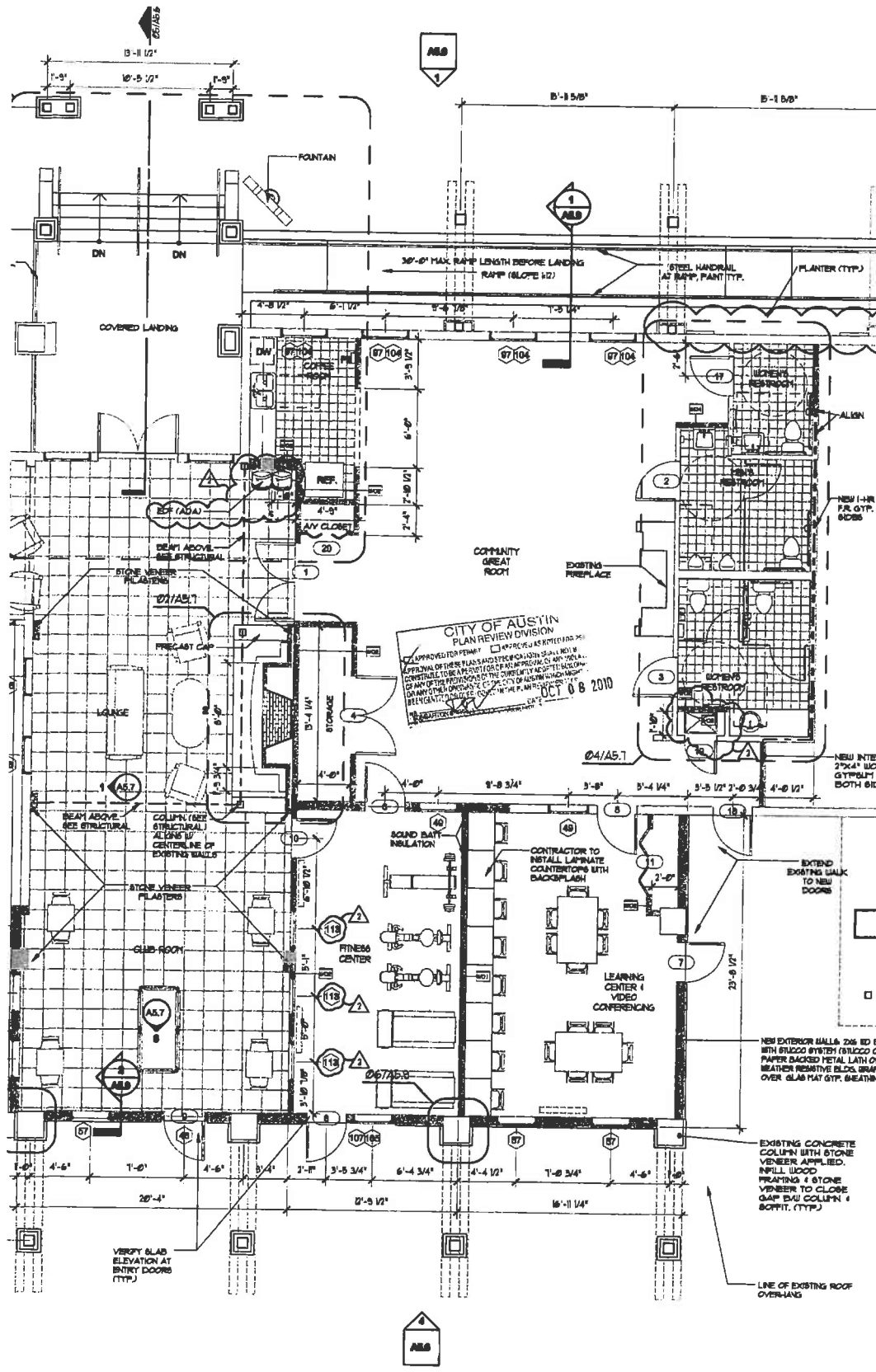


1 Bedroom  
500 Square Feet



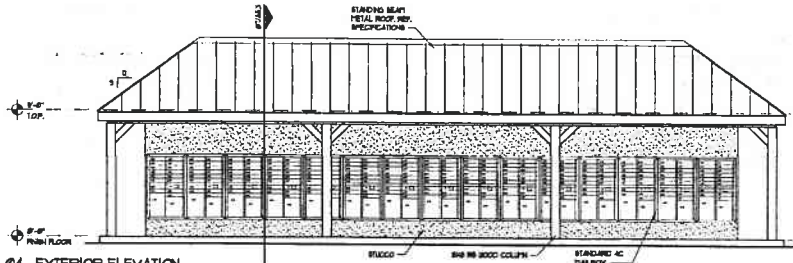
2 Bedroom  
750 Square Feet

# Community Center Plans

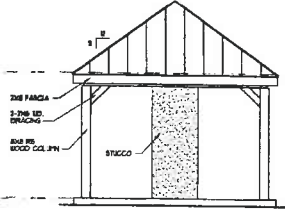




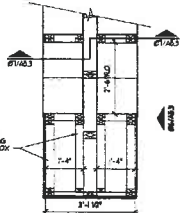
# Mail Kiosk



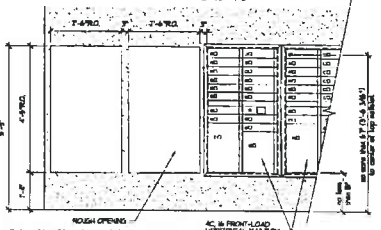
04 EXTERIOR ELEVATION  
MAILBOX  
12' x 7'-0"



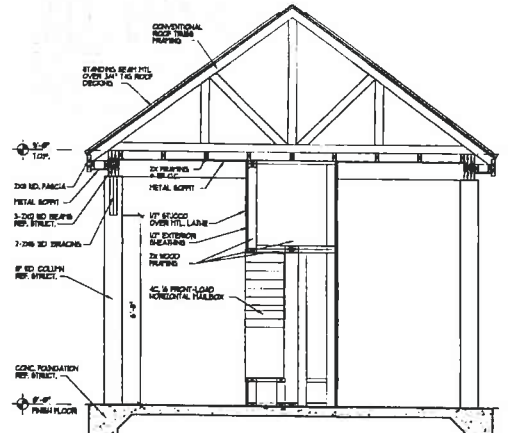
05 EXTERIOR ELEVATION  
MAILBOX  
12' x 7'-0"



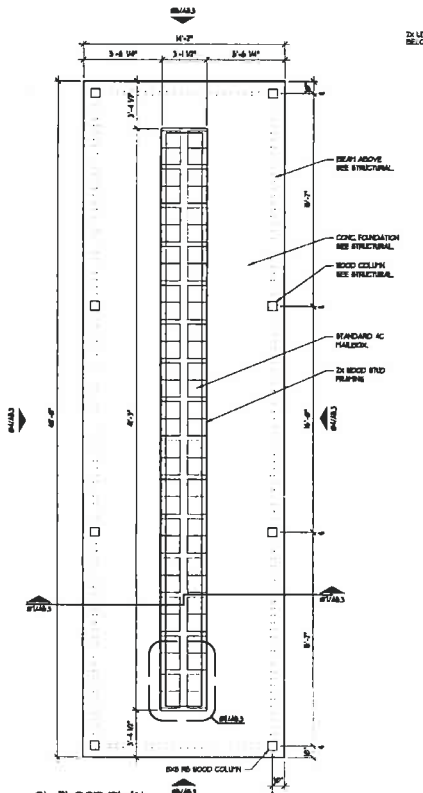
02 ENLARGED FLOOR PLAN  
MAILBOX  
12' x 7'-0"



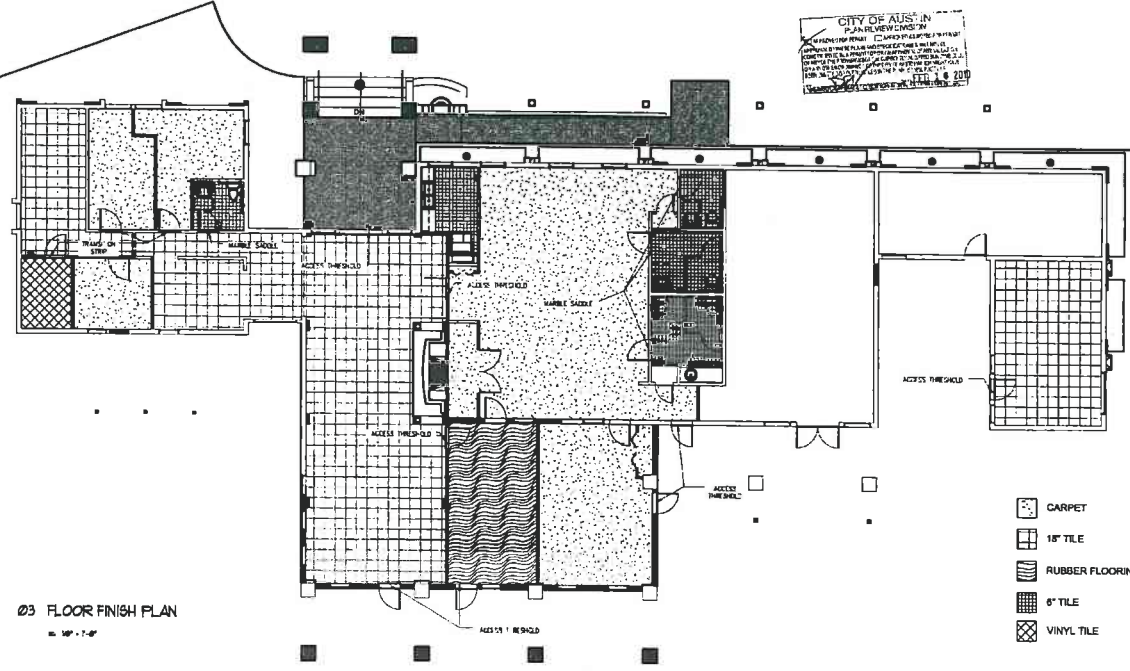
06 EXTERIOR ELEVATION  
MAILBOX  
12' x 7'-0"



07 SECTION  
MAILBOX  
12' x 7'-0"



01 FLOOR PLAN  
MAILBOX  
12' x 7'-0"



03 FLOOR FINISH PLAN  
MAILBOX  
12' x 7'-0"

- CARPET
- 18" TILE
- RUBBER FLOORING
- 6" TILE
- VINYL TILE



222 Ridgeway  
San Antonio, Texas 78209  
ph. 210.829.1898  
fax 210.829.1898  
www.b-a-architects.com  
Architect  
REGISTERED ARCHITECT  
STATE OF TEXAS  
02268910

Associated Architect  
**studio 2**  
STUDIO 2 ARCHITECTURE, INC.  
1811 EAST MAIN STREET, SUITE 214  
RICHMOND, VIRGINIA 23219  
Issuance  
PERMIT SET  
08 February 2010

Revisions:

**Malibu Apartments**  
Rehabilitation/Renovations  
1850 S. Lamar Blvd.  
Austin, Texas 78703

Owner/Developer  
**IMG**  
The Maliboland Group  
The Maliboland Group, LLC  
14-01 Thimbleth Avenue  
Suite 307  
Whitehouse, New York 11357  
ph (212) 661-2015  
fx (212) 661-2773  
info@img-bone.com

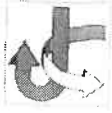
Page Description  
Mailbox Floor Plans,  
Ext. Elevs. & Sections  
Clubhouse Fin. Fir. Plan

Checked By: **gp**  
Project No: 10-01  
Date: 02.08.10  
Page

**A536993**

MF - VD

# Fire Safety Proposal



October 27, 2010

Mr. William Guessford  
Greystone Property Management Corporation  
8383 Craig Street, Suite 240  
Indianapolis, Indiana 46250

Subject: Journeyman Construction Request for Change Order No. 03R  
Independent Fire Alarm System for the Complex

Reference: Malibu Apartments  
Subcontract Agreement dated June 18, 2010

Dear Mr. Guessford:

Journeyman Construction, Inc. (Journeyman) hereby submits to Greystone Property Management Corporation our Request for Change Order (RCO) for the actual changes to our scope of work based on the attached RCO #03R documents attached.

The total cost for this proposed change order is **Two Hundred Two Thousand Eight Hundred Ten Dollars and no cents (\$202,810.00)**. If you are in agreement please generate a Change Order at your earliest convenience. Your signature below will confirm agreement and authorization to proceed. Please feel free to call me if you have any questions (512)-284-5620.

Sincerely,

Journeyman Construction, Inc.

Rick Mertz  
Sr. Project Manager

Attachments: RCO #02

cc: Mike White, JC

signed \_\_\_\_\_  
William Guessford Date

**Journeyman Construction**  
7701 N Lamar Blvd, Ste 100  
Austin, TX 78752  
Tel: (512) 247-7000 • Fax: (512) 388-6699  
www.journeymanco.com

**Journeyman Construction**

Malibu Apartments

**Work Breakdown and Pricing - Construction**

Complete Fire Alarm System for Project

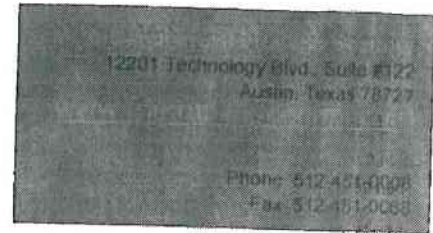
RCO #03 revised

Number of Days

Description of Products and Work		Qty	Unit	Unit Cost	Extended Cost
<b>Journeyman Construction General Conditions</b>					
1	Dumpster Fees		each	300.00	\$ -
2	Job trailers		Monthly	400.00	\$ -
3	Sanitary facilities for trailers		Monthly	300.00	\$ -
4	Sanitary facilities for site (port-a-johns)		Monthly	130.00	\$ -
2	Standby Emergency Generator		Monthly	1,500.00	\$ -
<b>Subtotal cost of General Conditions</b>					\$ -
<b>OH&amp;P</b>					10% \$ -
<b>Total cost of General Conditions</b>					\$ -
<b>Journeyman Construction Subcontractor's Costs</b>					
1	Cost from Subcontractor				
2	Cost from Subcontractor				
3	Contingency				
Fire Alarm System		1	lump sum	152,960.00	\$ 152,960.00
Electrical underground, Conduit, Power req.		1	lump sum	35,000.00	\$ 35,000.00
Fire Marshall review/Unforeseen circ.		1		10,000.00	\$ 10,000.00
<b>Subtotal cost from subcontractor</b>					\$ 197,960.00
<b>OH&amp;P</b>					0% \$ -
<b>Total cost from subcontractor</b>					\$ 197,960.00
<b>Journeyman Construction Direct Labor</b>					
1	Project Manager	0	hourly	53.94	\$ -
2	Project Superintendent	0	hourly	42.17	\$ -
4	Project Assistant	0	hourly	19.81	\$ -
5	Project Safety Director	0	hourly	19.13	\$ -
6	Carpenter	0	hourly	17.70	\$ -
8	Day Labour	0	hourly	14.87	\$ -
<b>Subtotal Direct Labor</b>					\$ -
<b>OH&amp;P</b>					10% \$ -
<b>Total Direct Labor</b>					\$ -
<b>Journeyman Construction Burden</b>					
1	Project Manager	0	hourly	18.88	\$ -
2	Project Superintendent	0	hourly	14.76	\$ -
4	Project Safety Director	0	hourly	6.87	\$ -
5	Project Assistant	0	hourly	6.89	\$ -
6	Carpenter	0	hourly	6.19	\$ -
8	Day Labour	0	hourly	5.24	\$ -
<b>Subtotal Direct Burden</b>					\$ -
<b>OH&amp;P</b>					10% \$ -
<b>Total Direct Burden</b>					\$ -
<b>Journeyman Construction Materials</b>					
1		0	cu. Yd.	0.00	\$ -
2		0	lump	0.00	\$ -
3		0	lump	0.00	\$ -
<b>OH&amp;P</b>					10% \$ -
<b>Total Materials</b>					\$ -
<b>Journeyman Construction Equipment</b>					
1	3500w Generator fuel & maintenance	0	Monthly	750.00	\$ -
2	Bobcat	0	Monthly	2,200.00	\$ -
3	Backhoe	0	Monthly	2,500.00	\$ -
4	Manlift	0	Monthly	3,000.00	\$ -
<b>Subtotal Equipment</b>					\$ -
<b>OH&amp;P</b>					10% \$ -
<b>Total Equipment</b>					\$ -
<b>Total cost of General Conditions</b>					\$ -
<b>Total cost from subcontractor</b>					\$ 197,960.00
<b>Total Direct Labor</b>					\$ -
<b>Total Direct Burden</b>					\$ -
<b>Total Direct Materials</b>					\$ -
<b>Total Direct Equipment</b>					\$ -
<b>Subtotal for Change</b>					\$ 197,960.00
<b>Insurance &amp; Bonding</b>					
1	Umbrella & Auto Liability Insurance	0.30%			\$ -
2	Builders Risk	0.55%			\$ 693.88
3	General Liability Insurance	0.65%			\$ -
4	Additional Bonding	1.50%			\$ 1,286.74
<b>Total Insurance, Bonding, OH&amp;P</b>					\$ 2,980.62
<b>Total Change Order Amount</b>					\$ 202,810.02



AN ARGYLE SECURITY COMPANY



October 21, 2010

## Journeyman Construction

Austin, Texas  
ATTN: Brad Waters

RE: Mallbu Apartments Austin, Texas – Fire Alarm System

### • INTRODUCTION

Metroplex Control Systems, Inc. (MCS) is pleased to present this quotation for your system needs on the above referenced project. After reviewing the following information, if you should have any questions or require additional information, please give me a call.

### • SCOPE of WORK

MCS will provide and program the system listed below. One addenda have been seen or included with this proposal.

#### Fire Alarm/ Life Safety System

### • OVERVIEW OF SYSTEMS

- MCS is an authorized distributor for *Edwards Systems Technology (EST)*
- Electrical to provide conduit, wiremold, standard electrical backboxes and 120vac.
- Quote based on drawings Dated 2/15/10 and email from Austin Fire Department dated 10/14/10
- *Quantities and design are subject to approval by the authority having jurisdiction*

#### Fire Alarm/Life Safety System -

- 6 EST Fire Alarm Control Panel
- 6 Digital Communicator
- 5 Pull Stations
- 60 Weatherproof Manual Pull Stations
- 60 Weatherproof Horn/Strobes
- 30 Intelligent Area Smoke Detectors
- 64 Intelligent Smoke Detectors with Sounder Bases
- 8 Intelligent Duct Detectors
- 21 Booster Power Supplies
- 476 Horns
- 79 Strobes
- Lot Fire Alarm Cabling
- Lot Engineering, Permit & AHJ Acceptance Testing

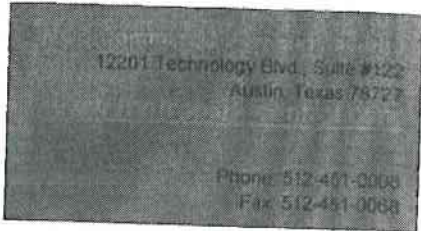
- The work will include, as necessary or required, Engineering, Drafting, Submittal, Permits, Coordination, Site Visits, Material, Equipment, Cable, Labor for Cable and Material Installation, Device Termination, Panel Termination, Testing, Certification, Final inspection, Training, Operation/Maintenance Manuals and As-Built Drawings.
- **EXCLUSIONS**

This quotation does not provide for or include the following:

- Fire Fighter's Smoke Control Panel
- No security locking devices



AN ARDYLE SECURITY COMPANY



- Conduit, Standard Back Boxes and Installation of.
- 120vac Power for Fans, Dampers, Combination Dampers, etc.
- Attendance to Daily or Weekly Job Site Meetings, unless crews are on site and are requested to attend.
- Full time Project Management or Field Superintendent on Job Site.
- Payment & Performance Bond
- Sales or Use Tax
- Temporary power, lighting, site water, trash removal
- Conduit, raceway and standard backboxes
- Concrete work
- All Standard Supply voltages like 120 VAC.
- Any additional devices beyond what is shown on the bid drawings that may be required by the Authority Having Jurisdiction

**COST ANALYSIS**

MCS agrees to provide the systems as described and referenced above to include freight and a one year warranty on parts and labor for the total sum of:

Base Bid Total:		\$146,862.00
Tax on Material Only Add:	\$152,960.09 ←	\$6,098.09 ←
Tax on entire Quote Add:		<del>\$12,859.49</del>

**Break Out Per System (Taxes not included)**

Cad and Engineering:	\$11,500.00
Club House:	\$10,828.96
Cluster A:	\$29,779.64
Cluster B:	\$32,486.88
Cluster C:	\$17,597.06
Cluster D:	\$17,597.06
Cluster E:	\$27,072.40

**Base Prices Do Not Include Tax**

**GENERAL TERMS AND CONDITIONS**

- Because of conditions beyond our control, this quotation is effective for a period of (45) days from the date above.
- Terms of payment are net thirty (30) days from invoice. No cash discounts for prepayment. Any order based on this quotation shall be subject to approval and acceptance by MCS.

If you should have any questions concerning this proposal, please do not hesitate to give me a call. I look forward to working with you to ensure a successful project.

Sincerely,

*Robert Morphew*  
Robert Morphew  
Metroplex Control Systems

**MULTIFAMILY FINANCE PRODUCTION DIVISION**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding Housing Tax Credit Amendments.

**WHEREAS**, Townhomes of Bay Forest, TDHCA# 00132, was awarded tax credits based on certain premises, including construction of 128-units apartment complex in Baytown, Texas, with a managing general partner listed as a Historically Underutilized Business (HUB); and

**WHEREAS**, Covenant Community Capital Corporation is a non-profit organization awarded funds by NSP to ultimately acquire the Townhomes of Bay Forest, a development that had been posted for foreclosure and replace the managing general partner with a non-HUB; and

**WHEREAS**, subsequent to the award the general partner of the Townhomes of Bay Forest was identified as a Historically Underutilized Business; and

**WHEREAS**, the units are proposed to be further restricted to 50% of area median gross income; therefore,

It is hereby:

**RESOLVED**, that the amendments presented in this meeting relating to Application #00132, Townhomes of Bay Forest are hereby ratified and approved as presented to this meeting.

**Background**

At the September 2010 Board meeting, staff presented award recommendations for Neighborhood Stabilization Program funds. Included in those recommendations was an applicant named Covenant Community Capital Corporation (“Covenant”), a non-profit located in Houston, Texas. The award was made to Covenant to ultimately acquire the Townhomes of Bay Forest, a 2000 program year housing tax credit development. Covenant closed on the NSP loan and on the property on December 31, 2010.

Subsequent to the award, the general partner in the Bay Forest development was identified as a Historically Underutilized Business (HUB), which would require a replacement general partner to also be a HUB.



Additionally, the NSP program requires the units be restricted to 50% of area median family income (AMFI). The tax credit LURA restricted the units at 60% of AMFI which raises some concern to restrict the units further after the original award of tax credits. While these two restrictions can most easily be harmonized by relying on only the 50% NSP restriction, some existing tenants would immediately become ineligible and future potential tenants between 50% and 60% may not be eligible. After reviewing relevant requirements staff does not believe the existing tenants can or should be required to move but that their rent should be reduced at the expiration of the current lease to not more than the maximum 50% NSP rent for the duration of their tenure at the development. Any vacancies now or hereafter should be leased to households at or below the 50% income level.

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a “material alteration,” would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

Summary of Request:

Covenant is requesting the board allow the non-profit to replace the HUB general partner and to approve the additional restriction of units to 50% of AMFI going forward.

Because these issues were identified as being inconsistent with the existing tax credit LURA subsequent to the award, staff is recommending the Board ratify the requests as presented.

Owner:	Covenant Community Capital
Developers:	Hyperion Services Inc.
Principals/Interested Parties:	PNC Multifamily Capital, John Watkins
Syndicator:	Lend Lease
Construction Lender:	Bank United
Permanent Lender:	Bank United
Other Funding:	N/A
City/County:	Baytown/Harris
Set-Aside:	N/A
Type of Area:	Urban
Region:	6
Type of Development:	New Construction
Population Served:	Family
Units:	128
2005 Allocation:	\$665,633
Allocation per HTC Unit:	\$5,200
Prior Board Actions:	Award of Tax Credits in 2000
REA Findings:	N/A

**PNC Multifamily Capital  
Columbia Housing SLP Corp  
500 W. Jefferson Street  
Louisville, KY 40202**

December 6, 2010

Ms. Valentin DeLeon  
Multifamily Housing Specialist  
Texas Department of Housing & Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78711-3941

RE: Townhomes of Bay Forest, TDHCA # 00132

Dear Mr. DeLeon,

NSP funds were awarded to Covenant Community Capital Corporation, a non-profit located in Houston, to ultimately acquire Townhomes of Bay Forest, a 128-unit tax credit property located in Baytown, Texas (TDHCA # 00132). The property was completed and leased in 2002 and has been subject to liens, judgments and foreclosure proceedings for much of the past year after undergoing repairs from Hurricane Ike. Since the property is an LIHTC transaction, the acquisition will not occur until the end of the compliance period, prior to which Covenant will serve as the general partner pursuant to a revised and restated partnership agreement.

The current Land Use Restriction Agreement of the property states that the managing general partner shall be an Historically Underutilized Business (“HUB”) during the compliance period. We understand that the TDHCA has on occasion in the past allowed non-profits to substitute in place of a HUB.

Columbia Housing SLP Corporation requests that Covenant be approved as the General Partner to facilitate the preservation and long-term affordability of the 128 units of Townhomes of Bay Forest.

Covenant enjoys an excellent reputation for serving households earning less than 200% of poverty, and believes the location and townhome setting can provide a platform for significant service to low-income families in East Harris County. Covenant’s staff is the most experienced of Southeast Texas’ nonprofit developers, and they operate the largest nonprofit IDA program in Texas, through which low-income families build assets to escape poverty. Bay Forest residents will also be able to access services through United Way THRIVE, of which Covenant is a founding member.

Under current tax credit commitments, the property rents are limited to 60% area median income or less. Covenant intends to further restrict and transition the project to rents of 50% area median income or less, as well as perform certain rehabilitation work in accordance with NSP requirements.

Thanks for your kind consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Watkins', with a long horizontal flourish extending to the right.

John Watkins  
Vice President

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

Approve the requests for extensions related to one (1) 2009 Housing Tax Credit and one (1) 2009 Tax Credit Exchange allocation.

**RECOMMENDED ACTION**

**WHEREAS**, the Board requires compliance with the deadlines it sets through its Qualified Allocation Plan (QAP) and authorizes the Executive Director to approve reasonable extensions of such deadlines when requested with good cause prior to the deadline, and

**WHEREAS**, the Board may consider and approve with good cause or deny extensions of deadlines requested after the deadline, and

**WHEREAS**, two applicants who have missed a deadline requested an extension after their deadline had passed, but provided good cause for granting the extension and paid the required \$2,500 extension request fee as applicable and have been recommended.

It is hereby:

**RESOLVED**, that the extension presented in this meeting relating to Application No. 09280/09799 (Mariposa at Ella Blvd) and No. 09937/08264 (Cambridge Crossing) are hereby approved as presented to this meeting.

**Background**

Pertinent facts about the request for extension are following:

**HTC No. 09280/09799, Mariposa at Ella Blvd**  
**(Commencement of Substantial Construction Documentation)**

Summary of Request: Pursuant to §49.14(b)(4) of the 2009 Qualified Allocation Plan and Rules, “The Development Owner must submit evidence of having commenced and continued substantial construction activities as defined in Chapter 60 of this title. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than December 1 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department”. The owner in this case submitted the commencement of substantial construction (COC) documentation nine (9) days after the deadline on December 10, 2010.

The owner indicated that all COC requirements were met by the December 1, 2010 deadline; however, they were waiting on the ariel photos that were taken of the property on November 30, 2010 before submitting the complete documentation. The COC documentation is currently under review by staff and nearly complete. There is no penalty for future applications associated with this type of extension.

Owner:	Mariposa Ella Blvd, LP
General Partner:	SSFP MEB XIV, LLC
Developer:	SSFP MEB XIV, LLC
Principals/Interested Parties:	Stuart Shaw
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	180 HTC units
2009 Allocation:	\$1,995,551
Allocation per HTC Unit:	\$11,086
Extension Request Fee Paid:	\$2,500
Current Deadline:	December 1, 2010
New Deadline:	December 10, 2010
<b>New Deadline Recommended:</b>	<b>December 10, 2010</b>
Previous Extensions:	N/A

**HTC No. 09937/08264, Cambridge Crossing Apartments**  
**(Tax Credit Exchange Program App)**  
**(Cost Certification)**

Summary of Request: Pursuant to Section 7.3 of the Exchange Subaward Agreement "...The Development Owner shall provide a full accounting of funds expended under the terms of this Agreement as part of Cost Certification on the earlier of January 13, 2012 or sixty (60) days of Construction Completion..." The owner has indicated that the first building was placed in service on November 5, 2010; therefore the Cost Certification submission due date was January 5, 2011. The owner is requesting an extension of the deadline to submit the cost certification documentation to April 6, 2011.

The reason given for the request was that the final buildings were not placed in service until the beginning of December 2010 due to construction delays beyond the owner's control. The owner has indicated that they need to draw the remaining amount of their Subaward and they need additional time to prepare a complete and accurate cost certification package.

In addition, under Section 11.2 of this Agreement with respect to an Event of Default, failure of the Development Owner to provide a full accounting in accordance with the QAP and the Department's Cost Certification Procedures Manual shall be sufficient reason for the Department to make the Development Owner or its Affiliates ineligible to apply for assistance under TDHCA programs or subject to penalty in accordance with TDHCA rules.

Owner:	Corsicana DMA, LP
General Partner:	DMA Cambridge Crossing, LLC
Developer:	DMA Development Company, LLC
Principals/Interested Parties:	Diana McIver
City/County:	Corsicana/Navarro
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	60 HTC units
2009 Allocation:	\$650,664
Allocation per HTC Unit:	\$10,844
Extension Request Fee Paid:	\$2,500
Current Deadline:	January 5, 2011
<b>New Deadline Requested:</b>	<b>April 6, 2011</b>
Previous Extensions:	N/A

December 30, 2010

Kent Bedell  
Texas Department of Housing & Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

RE: Mariposa at Ella Blvd, TDHCA #09280 & TCAP #09799, Extension to  
Commencement of Substantial Construction

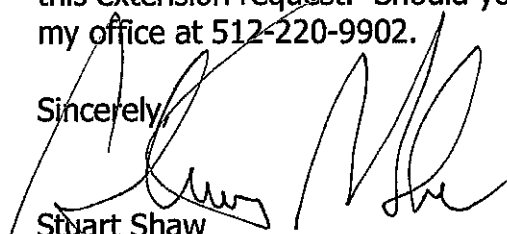
Mr. Bedell,

Pursuant to the request of Gavin Reid in his letter dated December 30, 2010 please accept this as a formal request for an extension to the submission date for the Mariposa at Ella Blvd Commencement of Substantial Construction documentation from December 1, 2010 to December 10, 2010.

As of December 1, 2010 Mariposa at Ella Blvd met all of the required milestones for Substantial Construction as required by the TDHCA. The submission of the package delayed because the development team was waiting for the aerial photos taken on November 30 to arrive. The aerial photos give the best representation of work completed to date.

We have included the \$2,500 extension fee and respectfully request and approval of this extension request. Should you have any questions please contact Casey Bump in my office at 512-220-9902.

Sincerely,

  
Stuart Shaw  
Applicant's Representative

Attachments: 1) \$2,500 Extension Fee

**MARIPOSA ELLA BLVD LP • CONSTRUCTION ACCOUNT**

Vendor TDHCA

Texas Dept of Housing and

Check 1042

01/03/11

**1042**

Trx No	Invoice No	Inv Date	Job/Description	Gross	Discount	Check Amount
172	010311	01/03/11	MEB - TDHCA Ext Fe	2,500.00		2,500.00
				<u>2,500.00</u>	<u>0.00</u>	<u>2,500.00</u>

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ARTIFICIAL WATERMARK. HOLD AT AN ANGLE TO VIEW.

**MARIPOSA ELLA BLVD LP  
CONSTRUCTION ACCOUNT**

JPMORGAN CHASE BANK, N.A.  
DALLAS, TX

**1042**

32-61/1110 01/03/11 CHECK NO.

DATE AMOUNT  
\*\*\*\*\*TWO THOUSAND FIVE HUNDRED DOLLARS AND 00 CENTS\*\*\*\*\* \*\*\*\*\*2,500.00

TEXAS DEPT OF HOUSING AND  
COMMUNITY AFFAIRS

PAY  
TO THE  
ORDER  
OF

*[Handwritten Signature]*  
\_\_\_\_\_  
AUTHORIZED SIGNATURE



⑈001042⑈ ⑆111000614⑆

934130204⑈





January 11, 2011

**VIA HAND DELIVERY**

Kent Bedell  
Multifamily Housing Specialist  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701

Re: *Cambridge Crossing, Corsicana, Texas*  
*TDHCA # 09937/08264*

Dear Mr. Bedell,

Corsicana DMA Housing, L.P. respectfully requests that TDHCA (the "Department") grants a 90 day extension on the deadline for submission of the final cost certification package for TDHCA # 09937/08264, Cambridge Crossing (the "Development").

The Exchange Sub-award agreement states that the due date is either the earlier of January 13, 2011, or 60 days from the completion date. The completion date is based on the first building placed in service, which, in our case, was November 5, 2010. However, due to construction delays beyond our control, the final buildings were not placed in service until the beginning of December. As of yet, we have not drawn for all anticipated development costs. Additional time is needed to prepare a complete an accurate cost certification package.

Please do not hesitate to contact me with any questions. Attached, please find a check for \$2,500 made payable to the Agency. I can be reached at 512-328-3232 x 172 or via email at [stacyk@dmacompanies.com](mailto:stacyk@dmacompanies.com).

Thank you,

DMA DEVELOPMENT COMPANY, LLC

A handwritten signature in black ink that reads "Stacy Kaplowitz". The signature is written in a cursive style with a large, stylized flourish at the end.

Stacy Kaplowitz  
Project Manager

**RECEIVED**  
**JAN 12 2011**  
 Texas Department of Housing  
 and Community Affairs

**CHECK ENCLOSED BY  
 ADDS TO ACCOUNTING**

Payment 2,500.00  
 Discount 2,500.00  
 Balance Due 2,500.00  
 Original Amt. 2,500.00

4/17/2011  
 Discount  
 Balance Due 2,500.00  
 Original Amt. 2,500.00

Original Amt. 2,500.00

Date 1/17/2011  
 Type Reference Bill  
 CORSIANA

Texas Dept of Housing & Community Affairs

**DMA DEVELOPMENT CO., LLC.**

754037489

002695 111000614

MEMO

Cambridge Crossing Corsicana extension fee

Austin, TX 78711-3941

P.O. Box 13941

Texas Department of Housing & Comm Affair  
 Multifamily Finance Production Division

AUTHORIZED SIGNATURE

DOLLARS

\$ 2,500.00

PAY TO THE ORDER OF Texas Dept of Housing & Community Affairs

TWO THOUSAND FIVE HUNDRED AND 00/100

**DMA DEVELOPMENT CO., LLC**

4101 PARKSTONE HEIGHTS DRIVE #310

AUSTIN, TX 78746

(512) 828-3232

MORGAN CHASE BANK, N.A.

DALLAS, TEXAS

32-61-1010

1/17/2011

2695

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Approve the Subordination Agreements to the Regulatory Agreement and Land Use Restriction Agreement relating to the Multifamily Housing Revenue Bonds Sphinx at Murdeaux Series 2003A and Series 2003B.

**WHEREAS**, the Department issued Series 2003A tax-exempt bonds in the aggregate principal amount of \$13,400,000 and Series 2003B taxable bonds in the aggregate principal amount of \$1,685,000 to the Sphinx at Murdeaux development in Dallas, Texas to construct 240 units of affordable multifamily rental housing; and

**WHEREAS**, the bonds were collateralized with Government National Mortgage Association (GNMA) securities and the construction loan is a Section 221(d)(4) FHA-insured Mortgage; and

**WHEREAS**, the owner is currently in default under the Senior Loan Documents and consequently requested that a Partial Payment of Claim (PPC) be approved by HUD; therefore

**IT IS RESOLVED**, that the Subordination Agreements to the Regulatory Agreement and Land Use Restriction Agreement for Sphinx at Murdeaux is hereby approved as presented to this meeting.

**Summary of the Transaction**

Sphinx at Murdeaux, a 240 unit Development located in Dallas was issued Series 2003A tax exempt bonds in the amount of \$13,400,000 and Series 2003B taxable bonds in the amount of \$1,685,000 and is a Government National Mortgage Association (GNMA) Collateralized Mortgage Loan. Additionally, the construction loan is a Section 221(d)(4) FHA-insured Mortgage. The owner is currently in default under the Senior Loan Documents and consequently requested that a Partial Payment of Claim (PPC) be approved by HUD.

The PPC program is an asset management tool available to HUD for the restructuring of financially troubled FHA-insured multifamily mortgage loans. In utilizing a PPC, HUD is able to avoid payment of a full claim under its contract of mortgage insurance with the lender, and the development is able to move toward financial stability and avoid foreclosure. The current balance of the Senior Loan is \$14,278,348. At the time of closing of the PPC, it is anticipated that the HUD-insured mortgage loan will be bifurcated into a modified Senior Loan that will reduce the principal balance to \$7,939,170 and reset the interest rate to 4.10% and a second lien HUD-held mortgage in the approximate amount of \$6,622,291 with interest corresponding to AFR and payable from 75% of development cash flow. The cost of this restructuring to HUD is in its payment to the lender of a mortgage insurance claim equal to the new HUD-held loan, rather than in the full amount of the original FHA-insured mortgage. HUD pays a partial claim on the troubled mortgage, allowing the principal balance to be reduced and in recognition of this insurance payment, HUD receives a note and second mortgage in the amount of the claim payment made.

As part of the PPC, HUD requires that the Senior Lender, HUD and Owner enter in a Partial Payment of Claim Use Agreement and further requires that the Department's Regulatory Agreement and Land Use Restriction Agreement (the "Bond Regulatory Agreement") and the Department's Subordination of Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Tax credits (the "Tax Credit LURA") both be made subordinate to the PPC and remain subordinate to the Senior Loan as modified. Staff notes that at the time of bond closing, Section 26 of the Bond Regulatory Agreement stated that the provisions therein "are expressly subordinate to the National Housing Act, the Mortgage Loan Documents, all applicable HUD mortgage insurance (and Section 8 of the Housing Act, if applicable) regulations and related administrative

requirements, all applicable Ginnie Mae regulations and administrative requirements and the Ginnie Mae Documents.” The amendments to the documents as a result of the PPC and corresponding Subordination Agreements are consistent with the underlying subordinations currently in place.

The anticipated closing date is the afternoon of January 20, 2011.

## **RESOLUTION NO. 11-018**

### **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF SUBORDINATION AGREEMENTS IN CONNECTION WITH MULTIFAMILY HOUSING REVENUE BONDS (GNMA COLLATERALIZED MORTGAGE LOAN—SPHINX AT MURDEAUX) SERIES 2003A AND MULTIFAMILY HOUSING REVENUE BONDS (GNMA COLLATERALIZED MORTGAGE LOAN—SPHINX AT MURDEAUX) TAXABLE SERIES 2003B**

WHEREAS, the Texas Department of Housing and Community Affairs (the “Issuer”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as defined in the Act and determined by the Governing Board of the Issuer (the “Board”) from time to time); and

WHEREAS, the Issuer previously issued its Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan—Sphinx at Murdeaux) Series 2003A and Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan—Sphinx at Murdeaux) Taxable Series 2003B (collectively, the “Bonds”) pursuant to the terms and provisions of that certain Trust Indenture dated as of July 1, 2004 (the “Indenture”), between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”); and

WHEREAS, the proceeds of the Bonds were provided by the Issuer to the benefit of Murdeaux Villas, L.P. (the “Borrower”) for the purpose of financing a multifamily housing development (the “Development”) located in Dallas County, Texas, pursuant to that certain Loan Agreement dated as of July 1, 2004 among the Issuer, the Borrower, the Trustee and Malone Mortgage Company, America, Ltd., as lender (the “Lender”), through the purchase of certain mortgage-backed securities issued by the Lender in connection with the financing of the Development; and

WHEREAS, the Borrower is currently in default under the Mortgage Loan Documents (as that term is defined in the Indenture), and consequently, has requested that the United States Department of Housing and Urban Development (“HUD”) agree to enter into a Partial Payment of Claim Use Agreement (the “PPC”); and

WHEREAS, as part of the PPC closing, HUD has required that the Issuer enter into (i) that certain Subordination of Regulatory and Land Use Restriction Agreement (the “Bond Subordination Agreement”) by the Issuer, the Borrower and the Trustee for the benefit of HUD and KeyCorp Real Estate Capital Markets, Inc. (the “Senior Lender”), subordinating the Issuer’s rights and interests under the Regulatory and Land Use Restriction Agreement, dated as of May 1, 2003 (the “Bond LURA”) between the Issuer, the Borrower and the Trustee, to the Modified Senior Loan Documents (as defined in the Bond Subordination Agreement) and the PPC, and (ii) that certain Subordination of Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Tax Credits (the “Tax Credit Subordination Agreement”, and together with the Bond Subordination Agreement, the “Subordination Agreements”) by the Issuer and the Borrower for the benefit of HUD and the Senior Lender, subordinating the Issuer’s right and interests under the Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Tax Credits, dated as of November 30, 2004 (the “Tax Credit LURA”), to the Modified Senior Loan Documents (as defined in the Tax Credit Subordination Agreement) and the PPC;

WHEREAS, the Issuer now desires to take certain actions with respect to the Subordination Agreements;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

Section 1. The Subordination Agreements, in substantially the forms presented at this meeting and approved by counsel to the Issuer, are hereby approved and adopted by the Issuer, and the Chairman of the Board, the Executive Director and the Director of Multifamily Finance are each hereby authorized and empowered to execute and deliver the Subordination Agreements on behalf of the Issuer, with such changes as may be approved by the Issuer's counsel and the officer executing the same, such approval to be evidenced by such officer's execution thereof.

Section 2. The actions and obligations of the Issuer authorized in Section 1 of this resolution shall be conditioned upon the delivery to the Issuer of evidence satisfactory to it of written consent to the Subordination Agreements by HUD, the Trustee (but only in the case of the Bond Subordination Agreement), the Borrower, and the Senior Lender, and to the extent of any variance in the terms of the Subordination Agreements presented to the Board, evidence of the approval of such variance by those parties by their execution of such Subordination Agreement).

Section 3. The officers of the Board and the employees and agents of the Issuer, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all certificates, financing statements, instruments and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this resolution, as well as the terms and provisions of the Subordination Agreements, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other document.

Section 4. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 5. This resolution shall be in full force and effect from and upon its adoption.

*(Execution page follows)*

PASSED AND APPROVED this 20<sup>th</sup> day of January, 2010.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)



After Recording Return to:  
U.S. Department of Housing  
and Urban Development  
Fort Worth Multifamily Program Center  
801 Cherry Street, Unit #45, Suite 2500  
Fort Worth, TX 76102-6882

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Reserved for recording information

**SUBORDINATION OF REGULATORY  
AND  
LAND USE RESTRICTION AGREEMENT**

**THIS SUBORDINATION OF REGULATORY AND LAND USE RESTRICTION AGREEMENT** (this "Subordination Agreement") is made and entered into to be effective as of the \_\_\_\_\_ day of January, 2011, by the Texas Department of Housing and Community Affairs (the "Department"), Wells Fargo Bank Texas, N.A., as trustee (the "Trustee"), and Murdeaux Villas, L.P. (the "Owner"), to and for the benefit of KeyCorp Real Estate Capital Markets, Inc., an Ohio corporation (the "Senior Lender") and the U.S. Department of Housing and Urban Development ("HUD").

**RECITALS**

A. The Department, the Trustee and the Owner, entered into a Regulatory and Land Use Restriction Agreement, dated as of May 1, 2003 and recorded on May 12, 2003 in the Official Records of Dallas County, Texas (the "Official Records") at Volume 2003091, Page 13334 (designated hereafter as "Restriction Agreement"), which encumbers the real property described on the attached Exhibit A (the "Project").

B. The Project is also subject to that Deed of Trust, Deed of Trust Note, a Regulatory Agreement (the "FHA Regulatory Agreement"), and other documents evidencing a loan by Malone Mortgage Company America, Ltd. ("Malone"), predecessor-in-interest to the Senior Lender, to Owner dated as of May 12, 2003, in favor of Malone in the original principal amount of Fifteen Million Eighty-Five Thousand Four Hundred and 00/100ths Dollars (\$15,085,400.00), which are all being amended pursuant to respective modification agreements of even date herewith (collectively, the "Senior Loan" and "Senior Loan Documents");

C. Pursuant to a letter dated December 2, 2010 from HUD approving a Partial Payment of Claim pursuant to 24 C.F.R §207.258b, a partial payment of claim was made by the HUD to Owner on January \_\_\_, 2011 with respect to the Senior Loan;

D. As of January \_\_\_\_, 2011, Owner has executed an Amendment to Regulatory Agreement regarding the FHA Regulatory Agreement, a Modification of Note to the Senior Deed of Trust Note, and a Modification of Deed of Trust evidencing a reduction in the principal amount of the Senior Loan from its current balance of \$\_\_\_\_\_ to \$\_\_\_\_\_ (the “Modified Senior Loan” and together with other documents evidencing and/or securing the Modified Senior Loan, collectively the “Modified Senior Loan Documents”). Owner has simultaneously executed a Partial Payment of Claim Use Agreement between HUD and Owner to be recorded with the Recorder’s Office prior to recording of documents in connection with the Modified Senior Loan (the “Use Agreement”); and

E. The parties desire to enter into this Subordination Agreement to evidence and reflect subordination of the Restriction Agreement to the Use Agreement and Modified Senior Loan, which reflect changes to the Project financial structure resulting from the Partial Payment of Claim, and to evidence and reflect in particular the requirement that the Modified Senior Loan retain its first lien position against the Project, with the Restriction Agreement being subordinated to the positions of the Use Agreement and Modified Senior Loan in the order and pursuant to the terms and conditions hereinafter set forth.

### **AGREEMENT**

Therefore, in consideration of the mutual promises set forth below, and other good and valuable consideration, the Department hereby covenants and promises as follows:

1. In accordance with Section 26 of the Restriction Agreement, the Department hereby subordinates its rights and interests under the Restriction Agreement to the interests of the Senior Lender and HUD under the Use Agreement and Modified Senior Loan Documents, and the effect of this subordination shall be to make the Use Agreement and Modified Senior Loan Documents prior and superior to the Restriction Agreement, as though the Restriction Agreement had been entered into and recorded subsequent to the time of recording of the Use Agreement and Modified Senior Loan Documents.

2. This subordination is solely for the benefit of the Lender, HUD, their successors and assigns, and shall not cause the Restriction Agreement to be subordinate to any other liens, claims, rights, or matters arising subsequent to the date of recording of the Restriction Agreement except as set forth.

3. Notwithstanding the foregoing, the parties acknowledge that nothing herein shall affect the lien position or validity of the Use Agreement, it being the intent of the parties hereto and thereto that the Use Agreement shall contain the rent and occupancy restrictions of the Restriction Agreement but shall have priority over the Restriction Agreement and Modified Senior Loan Documents, enforceable by HUD in accordance with and during the term thereof.

4. This Subordination Agreement shall inure to the benefit of the Lender and HUD, and their successors and assigns. This Subordination Agreement shall be binding upon the Department and the Trustee, and their successors and assigns.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the parties have caused this Subordination Agreement to be signed by its duly authorized representative, to be effective as of the day and year first above written, notwithstanding the actual date of execution.

**TEXAS DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS**

Date: January \_\_, 2011

By: \_\_\_\_\_  
Name:  
Title:

State of Texas                                    ]  
  ] SS:  
County of \_\_\_\_\_                        ]

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of the Texas Department of Housing and Community Affairs, who acknowledged to me that s/he executed same instrument for the purposes and consideration therein expressed and as the act of said Department.

Given under my hand seal of office this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
Notary Public in and for the said County and State

My Commission Expires: \_\_\_\_\_

[SIGNATURES CONTINUE ON THE NEXT PAGE]

**WELLS FARGO BANK TEXAS, N.A.,** as  
Trustee

By: \_\_\_\_\_  
Name:  
Title:

State of Texas                    ]  
  ] SS:  
County of \_\_\_\_\_        ]

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Wells Fargo Bank Texas, N.A., who acknowledged to me that s/he executed same instrument for the purposes and consideration therein expressed and as the act of said national association.

Given under my hand seal of office this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
Notary Public in and for the said County and State

My Commission Expires: \_\_\_\_\_

[SIGNATURES CONTINUE ON THE NEXT PAGE]

**MURDEAUX VILLAS, L.P.**  
a Texas limited partnership

By: SDC Murdeaux, LLC  
a Texas limited liability company,  
its General Partner

By: \_\_\_\_\_  
Jay O. Oji  
Manager

**ACKNOWLEDGEMENT**

State of Texas                    ]  
  ] SS:  
County of \_\_\_\_\_        ]

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Jay O. Oji, known to me to be the Manager of **SDC Murdeaux, LLC**, a Texas limited liability company, General Partner of **MURDEAUX VILLAS, L.P.**, a Texas limited partnership, who acknowledged to me that he executed same instrument for the purposes and consideration therein expressed and as the act of said limited partnership.

Given under my hand seal of office this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**  
**TO**  
**SUBORDINATION AGREEMENT**

**Legal Description**

After Recording Return to:  
U.S. Department of Housing  
and Urban Development  
Fort Worth Multifamily Program Center  
801 Cherry Street, Unit #45, Suite 2500  
Fort Worth, TX 76102-6882

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Reserved for recording information

**SUBORDINATION  
OF  
DECLARATION OF LAND USE RESTRICTIVE COVENANTS/  
LAND USE RESTRICTION AGREEMENT FOR LOW INCOME HOUSING CREDITS**

**THIS SUBORDINATION OF DECLARATION OF LAND USE RESTRICTIVE COVENANTS/LAND USE RESTRICTION AGREEMENT FOR LOW INCOME HOUSING CREDITS** (this "Subordination Agreement ") is made and entered into to be effective as of the \_\_\_\_ day of January, 2011, by the Texas Department of Housing & Community Affairs (the "Department") and Murdeaux Villas, L.P. (the "Owner"), to and for the benefit of KeyCorp Real Estate Capital Markets, Inc., an Ohio corporation (the "Senior Lender") and the U.S. Department of Housing and Urban Development ("HUD").

**RECITALS**

A. The Department and the Owner, entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Credits, dated as of November 30, 2004 and recorded on December 30, 2004, in the Official Records of Dallas County, Texas (the "Recorder's Office") at Book 2004250, Page 00124 (designated hereafter as "Restriction Agreement"), which encumbers the real property described on the attached Exhibit A (the "Project").

B. The Project is also subject to that Deed of Trust, Deed of Trust Note, a Regulatory Agreement (the "FHA Regulatory Agreement"), and other documents evidencing a loan by Malone Mortgage Company America, Ltd. ("Malone"), predecessor-in-interest to the Senior Lender, to Owner dated as of May 12, 2003, in favor of Malone in the original principal amount of Fifteen Million Eighty-Five Thousand Four Hundred and 00/100ths Dollars (\$15,085,400.00), which are all being amended pursuant to respective modification agreements of even date herewith (collectively, the "Senior Loan" and "Senior Loan Documents");

C. Pursuant to a letter dated December 2, 2010 from HUD approving a Partial Payment of Claim pursuant to 24 C.F.R §207.258b, a partial payment of claim was made by the HUD to Owner on January \_\_\_\_, 2011 with respect to the Senior Loan;

D. As of January \_\_\_\_, 2011, Owner has executed an Amendment to Regulatory Agreement regarding the FHA Regulatory Agreement, a Modification of Note to the Senior

Deed of Trust Note, and a Modification of Deed of Trust evidencing a reduction in the principal amount of the Senior Loan from its current balance of \$\_\_\_\_\_ to \$\_\_\_\_\_ (the "Modified Senior Loan" and together with other documents evidencing and/or securing the Modified Senior Loan, collectively the "Modified Senior Loan Documents"). Owner has simultaneously executed a Partial Payment of Claim Use Agreement between HUD and Owner to be recorded with the Recorder's Office prior to recording of documents in connection with the Modified Senior Loan (the "Use Agreement"); and

E. The parties desire to enter into this Subordination Agreement to evidence and reflect subordination of the Restriction Agreement to the Use Agreement and Modified Senior Loan, which reflect changes to the Project financial structure resulting from the Partial Payment of Claim, and to evidence and reflect in particular the requirement that the Modified Senior Loan retain its first lien position against the Project, with the Restriction Agreement being subordinated to the positions of the Use Agreement and Modified Senior Loan in the order and pursuant to the terms and conditions hereinafter set forth.

F. Although the Restriction Agreement terminates in the event of foreclosure, Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended (the "Code") requires that certain limitations as to termination of tenancies and rent increases survive such foreclosure for a period of three years. The Department cannot subordinate such portions of the Restriction Agreement.

## **AGREEMENT**

Therefore, in consideration of the mutual promises set forth below, and other good and valuable consideration, the Department hereby covenants and promises as follows:

1. Except for the priority of the provisions of Section 42(h)(6)(E)(ii) of the Code, the Department hereby subordinates its rights and interests under the Restriction Agreement to the interests of the Senior Lender and HUD under the Use Agreement and Modified Senior Loan Documents and the effect of this subordination shall be to make the Use Agreement and the Modified Senior Loan Documents prior and superior to the Restriction Agreement, as though the Restriction Agreement had been entered into and recorded subsequent to the time of recording of the Use Agreement and Modified Senior Loan Documents. The requirements of Section 42(h)(6)(E)(ii) of the Code remain superior to Senior Lender's and HUD's security interest and shall continue in full force and effect for a period of three years following the date of acquisition of the Project by foreclosure or instrument in lieu of foreclosure.

2. This subordination is solely for the benefit of the Lender, HUD, their successors and assigns, and shall not cause the Restriction Agreement to be subordinate to any other liens, claims, rights, or matters arising subsequent to the date of recording of the Restriction Agreement except as set forth herein.

3. Notwithstanding the foregoing, the parties acknowledge that nothing herein shall affect the lien position or validity of the Use Agreement, it being the intent of the parties hereto and thereto that the Use Agreement shall contain the rent and occupancy restrictions of the



Restriction Agreement but shall have priority over the Restriction Agreement and Modified Senior Loan Documents, enforceable by HUD in accordance with and during the term thereof.

4. This Subordination Agreement shall inure to the benefit of the Lender, HUD, and their successors and assigns, This Subordination Agreement shall be binding upon the Department and the Trustee, and their successors and assigns.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the parties have caused this Subordination Agreement to be signed by its duly authorized representative, to be effective as of the day and year first above written, notwithstanding the actual date of execution.

**TEXAS DEPARTMENT OF HOUSING  
AND COMMUNITY AFFAIRS**

Date: January \_\_, 2011

By: \_\_\_\_\_  
Name:  
Title:

State of Texas                    ]  
  ] SS:  
County of \_\_\_\_\_        ]

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of the Texas Department of Housing and Community Affairs, who acknowledged to me that s/he executed same instrument for the purposes and consideration therein expressed and as the act of said Department.

Given under my hand seal of office this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
Notary Public in and for the said County and State

My Commission Expires: \_\_\_\_\_

[SIGNATURES CONTINUE ON THE NEXT PAGE]

**MURDEAUX VILLAS, L.P.**  
a Texas limited partnership

By: SDC Murdeaux, LLC  
a Texas limited liability company,  
its General Partner

By: \_\_\_\_\_  
Jay O. Oji  
Manager

**ACKNOWLEDGEMENT**

State of Texas                    ]  
  ] SS:  
County of \_\_\_\_\_        ]

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Jay O. Oji, known to me to be the Manager of **SDC Murdeaux, LLC**, a Texas limited liability company, General Partner of **MURDEAUX VILLAS, L.P.**, a Texas limited partnership, who acknowledged to me that he executed same instrument for the purposes and consideration therein expressed and as the act of said limited partnership.

Given under my hand seal of office this \_\_\_\_\_ day of January, 2011.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

**EXHIBIT A  
TO  
SUBORDINATION AGREEMENT**

**Legal Description**

January 5, 2011

Mr. Michael Gerber  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Sphinx at Murdeaux Villas (the "Project"); Our File No. 13582.8

Dear Mr. Gerber:

The purpose of this letter is to request the Board's consideration to allow our client, Murdeaux Villas, L.P. ("Owner"), to enter into a Partial Payment of Claim pursuant to 24 CFR §207.258b ("PPC") and to authorize TDHCA to enter into two (2) subordination agreements pursuant to the PPC documents, as more fully below described. To assist in your review of this request, I have attached a description of the PPC Program at Exhibit "A" hereto.

The equity and construction loan financing for the Project closed on May 12, 2003. The construction loan, in the principal amount of \$15,085,400.00, is a Section 221(d)(4) FHA-insured Mortgage (the "Senior Loan"). Pursuant to the construction loan documents entered into between Owner, Malone Mortgage Company America, Ltd ("Malone"), predecessor-in-interest to KeyCorp Real Estate Capital Markets, Inc. ("Senior Lender"), the Project is subject to a Deed of Trust, Deed of Trust Note and Regulatory Agreement (the "FHA Regulatory Agreement," which together with the Deed of Trust and Deed of Trust Note is referred to as the "Senior Loan Documents"). The FHA Regulatory Agreement is attached hereto at Exhibit "B".

In addition to the Senior Loan Documents, the Regulatory and Land Use Restriction Agreement entered into by TDHCA, Wells Fargo Bank Texas, N.A. (as trustee) and Owner (the "TDHCA Regulatory Agreement") was also recorded in May, 2003, and encumbers the Project land. Pursuant to the TDHCA Regulatory Agreement and related bond documents, TDHCA issued Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan-Sphinx at Murdeaux) Series 2003A in the aggregate principle amount of \$13,400,000 (tax exempt bonds) and Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan-Sphinx at Murdeaux) Taxable Series 2003B in the aggregate principle amount of \$1,685,000 (taxable bonds) (the "Bonds"). The TDHCA Regulatory Agreement is attached for your reference at Exhibit "C" hereto.

On November 20, 2004, the Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Tax Credits (the "LURA"), was entered into by TDHCA and Owner and recorded on December 30, 2004 in relation to the Project. The LURA is attached hereto at Exhibit "D".

Owner is currently in default under the Senior Loan Documents and consequently requested that a PPC be approved by HUD. By letter dated December 2, 2010, HUD approved the PPC in conjunction with curing a default on the Senior Loan. At the time of the PPC application, the balance of the Senior Loan was \$14,278,348. At the closing of the PPC, the Senior Loan will be bifurcated into (i) a modified Senior Loan that will reduce the principal balance to \$7,939,170 and reset the interest rate; and (ii) a second lien HUD-held mortgage in the approximate amount of \$6,622,291.86 (the "Second Loan"), with interest corresponding to the federal cost of funds rate (AFR) and payable from seventy-five percent (75%) of Project cash flow. The HUD approval letter and more detailed terms of the modified Senior Loan and Second Loan are attached hereto as Exhibit "E".

It is anticipated that certain Bonds will be redeemed in accordance with the Trust Indenture. We will forward any further information regarding the Bond redemption as it becomes available to us.

As a part of the PPC closing, HUD requires that Senior Lender, HUD and Owner enter into a Partial Payment of Claim Use Agreement ("Use Agreement"). The draft Use Agreement is attached hereto at Exhibit "F" for your review. The Use Agreement will continue the affordability restrictions currently in place from twenty (20) years from the date of the PPC closing. HUD requires that the TDHCA Regulatory Agreement and the LURA remain subordinate to the Senior Loan, as modified. HUD also requires that all liens on the Project property be subordinate to the Use Agreement, including the TDHCA Regulatory Agreement and the LURA. Accordingly, the draft subordination agreements are attached hereto at Exhibit "G" for your review and approval.

HUD has set a closing date for the PPC on January 20, 2011. We understand that this is the date of the next TDHCA Board meeting and therefore respectfully request this matter be placed first on the agenda for Board review. Subject to receiving Board approval, this would allow Owner to close the PPC that afternoon.

If you require any further information to process this request, please do not hesitate to contact me. Thank you for your assistance in this matter.

Very truly yours,



John C. Shackelford

cc: Robbye Meyer (*via e-mail*)  
Jay O. Oji (*via e-mail*)  
Joseph Agumadu (*via e-mail*)  
Jerry Salzman, Esq. (*via e-mail*)  
Michelle Snedden, Esq. (*via email*)

## EXHIBIT "A"

### PARTIAL PAYMENT OF CLAIM (PPC) PROGRAM SUMMARY

The following is a summary of the Partial Payment of Claim (PPC) Program as currently administered by U.S. Department of Housing & Urban Development (HUD). This memorandum does not provide legal opinion nor comprehensive review of applicable regulations, notices, handbooks and working practices that exist as guidance and precedent for HUD's PPC Program, but is written as an informative description of PPC authority and process generally.

The PPC program is an asset management tool available to HUD for restructuring of financially troubled FHA-insured multifamily mortgage loans. By utilization of a PPC, HUD is able to avoid payment of a full claim under its contract of mortgage insurance with the lender, and the given project is set toward financial stability rather than moved into foreclosure. Under a PPC, the HUD-insured mortgage loan is bifurcated into (i) a first lien performing FHA-insured loan, with reduced principal balance and reset interest rate and (ii) a second lien HUD-held mortgage loan, with interest corresponding the federal cost of funds (AFR) and payable from seventy five percent (75%) of project cash flow. The cost of this restructuring to HUD is in its payment to the lender of a mortgage insurance claim equal to the new HUD-held loan, rather than in the full amount of the original FHA-insured mortgage. In short, HUD pays a partial claim on the troubled mortgage, allowing its principal balance to be reduced, and in recognition of this insurance payment, HUD receives a note and second mortgage in the amount of the claim payment made.

Following the completion of a PPC transaction, the owner continues to operate the property but shares its surplus cash with HUD - 75% to HUD toward debt service on the HUD-held second lien debt and 25% to the owner. Essentially, the PPC Program assists the owner with meeting the property's debt obligations, stabilizing property operations, and avoiding the consequences of foreclosure. The PPC benefits HUD as well by minimizing costs of insurance claims to HUD and Taxpayers, and preserves affordable housing units, and in some instances mandates additional affordable units by requiring recordation of an extended Use Agreement with income and rental charge restrictions for some percentage of project units.

The PPC Program originated in the 1990s, although it is a fair statement that between the program's origination and 2008, HUD approved possibly as few as twelve PPCs. During 2008 and 2009, certain key programmatic provisions that had prevented owners (and HUD) from participating in the benefits of a PPC were revised. As one example, by no longer limiting PPC relief to an amount not exceeding 3 times the project owner's post final endorsement equity contributions; now, with the revisions in place more troubled projects with "tapped out" owners, could apply for and receive appropriate PPC restructuring treatment. Thus, post 2009, HUD has approved many fold more PPCs.



The preservation and creation of affordable units was a primary reason for HUD's revision of the PPC program. Currently, HUD conditions its PPC relief upon the owner executing a Use Agreement with a 20 year term, effective as of the PPC closing date. Further, to ensure that its affordability mandate is not circumvented, HUD requires that the Use Agreement be superior to all existing (and/or resulting) mortgage debt and other project use restrictions. In the event the property is already encumbered by an existing Land Use Restriction Agreement (LURA), the HUD Use Agreement will "mirror" LURA's affordability requirements but the LURA must be subordinated to the HUD Use Agreement and the PPC re-located first mortgage. For all other properties, i.e., those without a LURA, HUD insists the owner set aside no fewer than 30% of the property's units for tenants whose income is at or below 80% of Adjusted Median Income (AMI) at rents not to exceed 30% of 80% of AMI. An owner can request a variance, such as fewer set aside affordable units and/or a higher percentage of AMI, but such variances must be justified by the owner to HUD's satisfaction.

The PPC Program is not hindered by loan documents that contain prepayment lockout or penalty provisions that might otherwise preclude an owner's refinancing of the property's FHA-insured indebtedness. HUD's regulatory and programmatic authority permits overriding of these lockout terms. HUD's authority in this respect extends to bond financing which was supported by FHA-insurance. The mortgage loan documents used for all "HUD-insured" transactions were required to contain a provision that allows prepayment and penalty provisions to be "blown-away" when needed for HUD to minimize mortgage insurance claims - such as occurs in granting of PPC relief. Similar provisions are also incorporated in bond financing documents when HUD mortgage insurance is used as credit enhancement.

In bond financed HUD-insured transactions, the bonds are able to be called and paid-off when PPC relief is granted. Almost as a redundancy, the bond financing documents also contain a provision stating that, upon a default under the HUD-insured mortgage loan, the bonds may be redeemed. The issue of the owner's default is discussed in more detail, below. As a practical matter, given reduced FHA insurance (reduced to the level of the new first lien principal amount) and the reset/lowered interest rate on that first lien, the bonds must be called and paid-off and cannot continue to "live" outside the PPC transaction. The two debts, i.e., the PPC restructured debt and the bond indebtedness, will be "out-of-balance," as it would be most unlikely that the interest rate for the bond financed debt to be identical to the PPC restored/refinanced debt.

For an owner to be eligible for the PPC Program, the HUD-insured mortgage loan must be in default. HUD understood that this PPC program requirement could have unintended consequences: an owner contrives a default. To ensure owners do not take advantage of the PPC Program by staging a default, HUD established criteria and performs lengthy review to weed out and discourage this type of owner behavior. To be granted PPC relief, in addition to default, an owner must submit an extensive informational application, demonstrating: (i) that the owner has

contributed equity in an amount equal to not less than 5% of the original FHA-insured mortgage loan toward property operations, (ii) that the PPC necessary to bring about financial stability for the property does not exceed 50% of the outstanding mortgage balance, and (iii) under rigorous HUD analysis, the owner has not caused/contrived the default and is a "good owner," i.e., by having passing REAC and MOR Scores, and is clear of negative administrative findings in the HUD Previous Participation record.

Some other details and requirements of a PPC transaction, not previously mentioned, include the following: (i) The remaining HUD-insured mortgage loan may not carry an interest rate exceeding 125 basis points over the 10 year Treasury (with some adjustment permitted for shifts during the period from application to closing); (ii) Although the amount of the PPC will included all accrued and unpaid interest from the date of default to the date of closing, the owner is responsible for all other costs, such as lender's fees and lender's counsel's fees, the owner's counsel fees and all other costs to bring the mortgage loan current, i.e., the mortgage escrows as well as the replacement reserve escrow, to the extent not adequately funded.

**HOME PROGRAM DIVISION**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action to Ratify HOME Program Reservation System Participants approved by the Executive Director.

**RESOLVED**, that six HOME Program Reservation System Participants, Travis County, Montague County, Coastal Bend Center for Independent Living, Affordable Caring Housing, City of Clarksville, and Navarro County, are hereby ratified and approved as presented to this meeting.

**Background**

On September 9, 2010 the Board approved the HOME Program Rule at 10 TAC Chapter 53 and it was published in the Texas Register on September 24, 2010. The adopted rule includes provisions for a new allocation method for eligible Applicants to access HOME funds through a Reservation System.

Since approval of the HOME Program Rule in September, forty-two applicants have submitted requests to become Reservation System Participants (RSPs) and the Board has ratified thirty-four RSPs. Each of the six RSPs recommended for ratification by the Board have completed the review process and were approved by the Executive Director. Following is a chart reflecting the program activities in which each RSP has elected to participate.

<b>RSP Agreement Number</b>	<b>Contract Administrator Name</b>	<b>HOME Program Activity</b>
2010-0036	Travis County	Tenant-Based Rental Assistance
2010-0040	Montague County	Homeowner Rehabilitation
2010-0041	Coastal Bend Center for Independent Living (located in Corpus Christi)  Serving Area: Aransas, Bee Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio, Starr, Webb, Willacy, and Zapata Counties.	Tenant-Based Rental Assistance-Persons With Disabilities
2010-0038	Affordable Caring Housing	Tenant-Based Rental Assistance

	(located in College Station) Service Area: Cities of Kilgore, Athens, Gatesville, and Copperas Cove	
2010-0037	City of Clarksville	Homeowner Rehabilitation Assistance
2010-0039	Navarro County	Homeowner Rehabilitation - Disaster Relief

The RSP approvals being presented for ratification are currently being reviewed by the Compliance and Asset Oversight Division for issues of material non-compliance, unresolved audit findings, or questioned or disallowed costs. After clearance is received, the RSP Agreements will be sent to the RSP for execution.

**HOME PROGRAM DIVISION**  
**BOARD ACTION REQUEST**  
**January 20, 2011**

**Recommended Action**

Presentation, Discussion, and Possible Action regarding the 2010 Single Family Homeowner Rehabilitation Assistance, Homebuyer Assistance, and Tenant-Based Rental Assistance Programs Award Recommendations.

**RESOLVED**, that the award of contracts to the City of McKinney, City of Clarksville, and Affordable Caring Housing, totaling \$1,045,464 in project funds and \$47,157 in administrative funds, resulting in assistance for 56 low income households, are hereby approved in the form presented to this meeting.

**Background**

Staff is recommending for award applications received in response to the 2010 HOME Single Family Programs NOFA. The award recommendations total \$1,045,464 in project funds and \$47,157 in administrative funds to assist 56 households for the following three applications:

<b>City of McKinney</b>	Applicant will receive \$345,000 in project funds which will be used to provide up to \$20,000 in downpayment and closing costs assistance to 30 eligible low-income homebuyers.
<b>City of Clarksville</b>	Applicant will receive \$480,000 in project funds to provide rehabilitation or reconstruction assistance to 6 homes owned by low-income households that are in significant disrepair.
<b>Affordable Caring Housing</b> (located in College Station)	Applicant will receive \$220,464 in project funds to provide rental assistance to at least 20 households. The rental assistance will be in the form of a grant for vouchers that can be used for a safe, decent and affordable housing unit of their choice.
Service Area: Cities of Kilgore, Athens, Gatesville, and Copperas Cove	

The NOFA, which was approved on September 9, 2010 and published in the Texas Register on September 24, 2010, made available approximately \$31,212,551 in HOME funds for the following Program Activities: Homeowner Rehabilitation Assistance; Homebuyer Assistance; Contract for Deed Conversion; Tenant-Based Rental Assistance; and Single Family Programs for Persons with Disabilities. These funds were divided with a portion made available for Contract Awards and the remaining funds made available only under the Reservation System. Additionally, the funds were originally restricted in set-asides for each activity and by region. On December 1, 2010, the funds not awarded or requested were made available statewide and will remain available until Friday, April 29, 2011. After January 7, 2011 staff will evaluate the level of interest in the funding and may reprogram any remaining funds to activities with a higher demand for funds.

All applications being recommended for funding are conditioned on a previous participation review conducted by the Compliance and Asset Oversight Division, and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs being identified.

Attached are the Application and Award Recommendations Logs.

## 2010 HOME Single Family Development Program - Application Log

Monday, January 10, 2011

Total Funding Amount: \$31,212,551

Total Set-Aside Funding Level: \$2,478,309

Available Balance: \$2,478,309

### HBA Set-Aside

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0035	11/30/2010		City of McKinney	3	\$345,000	\$12,000	30	\$345,000	\$12,000	30	Pending Award
<b>Totals:</b>					<b>\$345,000</b>	<b>\$12,000</b>	<b>30</b>	<b>\$345,000</b>	<b>\$12,000</b>	<b>30</b>	

### HRA Set-Aside

Total Set-Aside Funding Level: \$15,232,107

Available Balance: \$15,232,107

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0037	11/30/2010		City of Clarksville	4	\$480,000	\$20,000	6	\$480,000	\$17,520	6	Pending Award
<b>Totals:</b>					<b>\$480,000</b>	<b>\$20,000</b>	<b>6</b>	<b>\$480,000</b>	<b>\$17,520</b>	<b>6</b>	

### TBRA Set-Aside

Total Set-Aside Funding Level: \$2,478,309

Available Balance: \$2,478,309

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0038	12/14/2010		Affordable Caring Housing, Inc.	4, 8	\$220,464	\$17,637	20	\$220,464	\$17,637	20	Pending Award
<b>Totals:</b>					<b>\$220,464</b>	<b>\$17,637</b>	<b>20</b>	<b>\$220,464</b>	<b>\$17,637</b>	<b>20</b>	

**2010 HOME Single Family Development Program - Award Recommendations Log**

Tuesday, January 11, 2011

Total Funding Amount: \$31,212,551

Total Set-Aside Funding Level  
Available Balance: \$2,478,309

**HBA Set-Aside**

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0035	11/30/2010		City of McKinney	3	\$345,000	\$12,000	30	\$345,000	\$12,000	30	Pending Award
<b>Totals:</b>					<b>\$345,000</b>	<b>\$12,000</b>	<b>30</b>	<b>\$345,000</b>	<b>\$12,000</b>	<b>30</b>	

**HRA Set-Aside**

Total Set-Aside Funding Level: \$15,232,107  
Available Balance: \$15,232,107

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0037	11/30/2010		City of Clarksville	4	\$480,000	\$20,000	6	\$480,000	\$17,520	6	Pending Award
<b>Totals:</b>					<b>\$480,000</b>	<b>\$20,000</b>	<b>6</b>	<b>\$480,000</b>	<b>\$17,520</b>	<b>6</b>	

**TBRA Set-Aside**

Total Set-Aside Funding Level: \$2,478,309  
Available Balance: \$2,478,309

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2010-0038	12/14/2010		Affordable Caring Housing, Inc.	4, 8	\$220,464	\$17,637	20	\$220,464	\$17,637	20	Pending Award
<b>Totals:</b>					<b>\$220,464</b>	<b>\$17,637</b>	<b>20</b>	<b>\$220,464</b>	<b>\$17,637</b>	<b>20</b>	



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Recommended Action**

Approval of the Neighborhood Stabilization Program Three Substantial Amendment to the One Year Action Plan

WHEREAS, the United States Department of Housing and Urban Development has set aside \$7,284,978 under the third round of funding for the Neighborhood Stabilization Program to be administered by the Department for the State of Texas; and

WHEREAS, the Department must submit a Substantial Amendment to the State of Texas 2010 Action Plan to address the Neighborhood Stabilization Program by March 1, 2011, and such plan must have been made available for public comment prior to submission; therefore

BE IT RESOLVED, that the draft Substantial Amendment to the State of Texas 2010 Action Plan for the Neighborhood Stabilization Program 3 is approved as presented to this meeting, and the Executive Director is authorized and directed to provide the Substantial Amendment for public comment, as required and, based on such comment, to make appropriate modifications to the Action Plan and cause it to be submitted the amendment to HUD on or before March 1, 2011, and

FURTHER RESOLVED, that the Substantial Amendment, as filed, be reported back to this Board for ratification at its next meeting following submittal to HUD with a summary of public comment, response, and modifications.

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA) (Pub. L 110-289, approved July 30, 2008), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The NSP3 allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd-Frank Act). The purpose of the program is to develop into affordable housing abandoned, foreclosed, and vacant properties in areas that are documented to have the greatest need for declining property values as a result of excessive foreclosures.

Texas will receive approximately \$18M, \$10M of which has already been identified by HUD as a direct allocation to 5 cities and counties with the greatest need as determined by HUD. The Texas Department of Housing and Community Affairs will administer the remaining \$7.285M of NSP3 funds to address areas of greatest need using the HUD NSP formula.

The amendment to the Action Plan includes a plan for the obligation of these funds to meet HUD requirements. NSP3 includes a statutory requirement that grantees, “establish procedures to create preferences for the development of affordable rental housing properties assisted with NSP3 funds.” Due to this requirement, the NSP3 Substantial Amendment and NOFA include a scoring preference for rental properties in areas of highest need. Communities that wish to access NSP funds for development of affordable ownership opportunities, land banking or demolition will be able to apply for NSP1 Program Income funds.

HUD has required that grantees include the specific areas that will be served in their NSP3 substantial amendments. In recognition of the difficulty that state grantees will experience in determining these areas prior to identification of subgrantees, HUD has allowed states to submit a second substantial amendment on June 30, 2011 detailing the specific locations for uses of NSP3 funds. In order to comply with these very short time periods, TDHCA will accept applications for NSP3 funds beginning in mid-March after the NOFA is approved by the Board. It is anticipated that applications will contain the information about each communities’ specific need, which will be used to narrow the NSP3 substantial amendment scope to meet HUD requirements.

The Department anticipates that HUD will accept the first substantial amendment by April 15, 2011. Expenditure of 50% of the allocated of NSP3 funds will be required within 24 months of that date, all funds must be expended 36 months after acceptance.

The HUD notice for this program was initially published on October 19, 2010 and requires that the substantial amendment to the Action Plan be submitted by March 1, 2011. The second substantial amendment will be submitted by June 30, 2011. The Department plans to publish the draft amendments to the Action Plan on the Department’s web site in order to solicit and receive public comment for the HUD mandated 15 day public comment period. Staff will report on any refinements made to the first substantial plan as a result of public comment at the March, 2011 Board meeting.

# NSP3 SUBSTANTIAL AMENDMENT #1

Jurisdiction(s): State of Texas, Texas Department of Housing and Community Affairs	NSP3 Contact Person: Megan Sylvester Address: Texas Department of Housing and Community Affairs 221 East 11 <sup>th</sup> Street Austin, Texas 78701 Telephone: (512) 463-2179 Fax: (512) 472-1672 Email: megan.sylvester@tdhca.state.tx.us
Jurisdiction Web Address: <a href="http://www.tdhca.state.tx.us">http://www.tdhca.state.tx.us</a>	

This document is a substantial amendment to the Action Plan for FFY 2010 submitted by the State of Texas. The Action Plan is the annual update to the Consolidated Plan for FFY 2010 through 2015. This amendment outlines the expected distribution and use of \$7,284,978.00 through the Neighborhood Stabilization Program (NSP), which the U.S. Department of Housing and Urban Development (HUD) is providing to the State of Texas. This allocation of funds is provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (“Dodd-Frank Act”).

The Texas Department of Housing and Community Affairs (TDHCA or Department) will implement NSP funds and will issue a competitive Notice of Funds Availability pursuant to which it will award funding to eligible subgrantees.

## ***A. AREAS OF GREATEST NEED***

The *Federal Register* Notice (**Docket No.FR-5321-N-03**), specifies that funds be used in the areas of greatest need. Need is determined by the HUD Foreclosure Need website located at <http://www.huduser.org/nspgis/nsp.html>

Texas has identified census tracts with a score of 16 or greater as being the census tracts with the HUD-estimated greatest need. Eligible applicants within these census tracts will be able to apply for NSP3 funding.

## ***B. MARKET ANALYSIS***

Each applicant will be required to demonstrate how their proposal addresses their local needs and how, if applicable, it coordinates with their community’s consolidated plan. In addition, multi-

family properties will go through an underwriting process to ensure that the area market can support the proposed rental project.

### ***C. ELIGIBLE ENTITIES AND USES OF FUNDS***

Eligible applicants for rental properties are nonprofit organizations as described in Section 501 (c)(3) or (c)(4) of the Internal Revenue Code who are required by federal rules to follow 24 CFR Part 84. Eligible applicants for homebuyer properties are units of general local government (including public housing authorities) who will follow 24 CFR Part 85, nonprofit organizations as described in Section 501(c)(3) or (c)(4) of the Internal Revenue Code who are required by federal rules to follow 24 CFR Part 84, and Housing Finance Corporations authorized under the provisions of the Texas Housing Finance Corporation Act, Texas Government Code, Chapter 394.

In accordance with NSP guidelines, activities under NSP3 may include the establishment of financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties, purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed, and the redevelopment of demolished or vacant properties.

### ***D. SELECTION CRITERIA AND PRIORITIES***

The State of Texas (State) has established the priorities and scoring that will be used in the application review process and are described below. While the criteria are important to demonstrate a successful proposal, the scoring structure is also designed to ensure that the State complies with the requirements of the HUD Notice designed to prioritize areas of greatest need, meets applicable CDBG regulations, meets Department priorities, and efficiently and effectively expends the funds. Each applicant will be required to submit a properly completed application. Each applicant's organizational and financial capacity will be evaluated. The application will be available on the Department's website after the Department's Governing Board approves a Notice of Funding Availability. All applications must contain the address of the target property. The Department expects to accept applications beginning on March 14, 2011, and to close the initial round of applications on April 15, 2011. Applications with the highest scores will be presented to the Department's Governing Board of Directors on June 30, 2011, for possible approval.

- a) All initial round applications must meet a minimum threshold total score of 41 points to be considered for funding. Subsequent round applications must meet a minimum score of 35 points. Should subsequent round applications meeting this minimum score threshold exceed available funding, such eligible applications will be retained regardless of date of submission until such time as funding is available in sufficient amounts to fund the applications or a subsequent Texas NSP NOFA covering NSP3 funds is released.
  
- i) Maximum Total Score = 55 Points (initial application period) or 50 points:
  - 1. Greatest Need (20 Points); Minimum Score 16 points.
  - 2. Rental Property (10 Points) or (5 Points after Initial Application)
  - 3. Prior experience with Texas NSP and TDHCA (Up to 5 Points)
  - 4. Low-Income Households (Up to 5 Points)

5. Low Poverty Area (1 Point)
  6. Transit Area (1 Point)
  7. Education (1 Point)
  8. Special Needs/Hard to Serve Populations (Up to 2 points)
- ii) **Greatest Need (20 Points):** NSP3 activities must be completed in eligible census tracts, as determined by HUD under the Neighborhood Stabilization 3 NOFA. Applicants are required to provide evidence that activities will meet a Neighborhood Stabilization purpose, in a census tract with a threshold foreclosure needs score of 16 or more. The HUD data and mapping tool may be found on the HUD website, here: <http://www.huduser.org/nspgis/nsp.html> These areas may change as the data is updated, and the target score will be determined as that which was in place as of the date of application.
- iii) **Rental Properties (10 Points until April 15th, 5 points thereafter):** The NSP3 allocation included statutory language requiring the establishment of procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds. Texas NSP3 is demonstrating this preference through a points system.
- iv) **Previous Participation with Texas NSP and TDHCA funds (Up to 5 Total Points):** An Applicant will receive two points for having prior Texas NSP experience and three points for successful experience with other TDHCA-administered funds. The experience must have been in the same activity as the Application is proposing (single family, multifamily, new construction, rehabilitation, etc.) and have been acquired in connection with a development with at least 80% as many units as the Units in the development for which Application is being made. The experience will be documented as outlined in 10 TAC §49.8 (4).
- v) **Assistance to Low-Income Households at or below 50% AMFI (Up to 5 Total Points):** In order to emphasize affordability for households at or below 50% of AMFI, the State will give points to proposals that will serve households in this income category. Each unit serving households in this income category will receive a point, up to five points.
- vi) **Low Poverty Area (1 point):** The unit is in a census tract that has no greater than 10% poverty population according to the most recent census data.
- vii) **Transit District (1 point):** The proposed unit is in a mixed-use residential and commercial area, located within a radius of one-quarter mile from an existing or proposed transit stop, designed to encourage pedestrian activities and maximize access to public transportation.
- viii) **Educational Opportunities (1 point):** The unit will serve families with children (at least 70% of the unit or units must have an eligible bedroom mix of two bedrooms or more) and is proposed to be located in an elementary school attendance zone that

has an academic rating of "Exemplary" or "Recognized," or comparable rating if the rating system changes. An elementary attendance zone does not include magnet school or elementary schools with district-wide possibility of enrollment or no defined attendance zones. The date for consideration of the attendance zone is that in existence as of the received date of the application and the academic rating is the most current rating determined by the Texas Education Agency as of that same date.

- ix) **Special Needs or Hard to Serve Populations (1 point per category up to 2 points):** At least 51% of the NSP assisted unit or units are designed to serve, Elderly, Persons with Disabilities, Transitioning out of Homelessness, Victims of Domestic Violence, Veterans, Transitioning out of Foster Care, Prisoner Reentry, or Migrant Farmworkers.
- x) **Tiebreaker:** In the event that two or more Applications receive the same priority based upon the scoring and are both practicable and economically feasible, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive a preference in consideration for an awarded of funds.
- (1) Applications involving any Rehabilitation or Reconstruction of existing Units will win this first tier tie breaker over Applications involving solely New Construction or Adaptive Reuse.
- (2) The Application with the least amount of Texas NSP funds per Texas NSP restricted unit will win this second tier tie breaker.
- xi) **Department Priorities:** The Federal NSP3 NOFA contains a requirement that at least 25% of the awarded funds be spent on housing for households at or below 50% AMFI. The Department will fund the highest scoring, complete application that meets this requirement even if other applications scored higher. The Department will also give priority consideration to applications, meeting the threshold score, which are completing the affordability period of TDHCA HOME properties. This determination will be made in the sole discretion of the Department.

#### ***E. EXPECTED IMPACT***

Based on the Department's prior experience with NSP and other federal funds, the Department expects to fund 170 units of housing for low, moderate, and middle income with a preponderance of these units serving households at 50% of AMFI.

#### ***F. PUBLIC COMMENT***

**NEIGHBORHOOD STABILIZATION PROGRAM**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Recommended Action**

Approval of the Program Income Notice of Funds Availability for the Neighborhood Stabilization Program (NSP1-PI).

WHEREAS, the Department anticipates that it will receive funds from loan repayments under the Neighborhood Stabilization Program and that it will need to redistribute such funds in accordance with NSP rules and regulations; therefore it is

RESOLVED, that the Notice of Funds Availability (“NOFA”) for Program Income from Round 1 of the Neighborhood Stabilization Program (NSP1-PI) is hereby approved in the form presented to this meeting and the executive director or his designee are authorized and directed to publish such NOFA and, in connection therewith, to make such non-substantive technical changes as they may deem appropriate

**Background**

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan. The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

On the September 3 deadline, Texas NSP funds were fully obligated for five eligible uses as follows:

**Funds Obligated**

<b>Eligible Use</b>	<b>Amount</b>
Financing Mechanisms	2,185,513.52
Acquisition and Rehabilitation	48,112,938.20
Land Bank	11,284,087.64
Demolition	2,610,250.21
Redevelopment	27,987,142.26
Administration (State and Subrecipients)	9,812,416.17
<b>TOTAL</b>	<b>\$101,996,848</b>

As subgrantees move forward with completion of their NSP projects, significant program income will be generated through the resale of properties to income-eligible households. A portion of funds will be received as mortgage loan payments from households at or below 50% AMFI that have accessed NSP permanent financing, along with loan payments from subrecipient organizations that are providing rental housing to low-income households. The balance of the program income available for redistribution will be generated by loan repayments as subrecipients sell non-set-aside homes to households over 50% AMFI.

Texas NSP Program Income projections are as follows:

Year 1	5,600,000
Year 2	5,600,000
Year 3	3,300,000
Years 4-10 (each year)	2,600,000
Years 11-29 (each year)	1,600,000

The NSP1-PI NOFA will make funds available to nonprofit organizations and units of local government to continue their neighborhood stabilization efforts through the end of the NSP Grant Agreement in March, 2013. The NOFA continues substantially the same activities available under the NSP and NSP-R NOFAs.

### **Policy Changes**

The Program Income NOFA is substantially the same as the original NOFA with a few exceptions designed to address policy priority changes and expedite the use of funds.

Because Program Income will be available only as repayments are made, these funds will be made available under a contingent Reservation System. Nonprofit organizations and units of government will be able to apply to participate in the NSP Reservation System during two periods each year. Applicants will be presented to the TDHCA Governing Board for approval. A mechanism is included to accept new applications outside of the annual cycle, if the amount of available funds exceeds \$1,000,000; this will allow for the use of funds by new applicants if they are not reserved during the regular cycle. The availability of funds for applications to make contingent reservations will be announced on the TDHCA website.

As funds are received, the available balance in the Reservation System will be periodically updated, and approved participants will be able to reserve NSP funds (subject to Board approval) to be used for specific activities once an eligible property is identified. The amount of funds that an applicant is able to reserve at any time will be limited, based on their experience and capacity to complete the project. The minimum reservation amount for each property will be \$30,000, in order to assure that the NSP investment will create future affordability for eligible homebuyers.

It is anticipated that the use of the NSP Reservation System will allow NSP Program Income funds to be used as they are received in order to address areas of greatest need across the state.





## Texas Department of Housing and Community Affairs

### **Texas Neighborhood Stabilization Program 1 Program Income (“NSP1-PI”)** **Notice of Funding Availability (NOFA)**

#### **1) Summary**

The Texas Department of Housing and Community Affairs (“TDHCA” or the “Department”) announces the expected distribution and use of approximately \$10,000,000 which the Department will receive as program income under the Neighborhood Stabilization Program One (“NSP1”). This amount may vary over time based on additional funding allocations, deobligations and program income earned from NSP1 and NSP-Reallocation (“NSP-R”) contracts; as additional funds become available, they will be announced on the Department’s website for continued application under this NOFA unless superseded by a subsequent NOFA for this fund source. The Neighborhood Stabilization Program created under the Community Development Block Grant (“CDBG”) Program provided for funding to be awarded for the redevelopment of abandoned, foreclosed, and vacant homes and residential properties and was initially authorized under Section 2301(b) of the Housing and Economic Recovery Act of 2008 (HERA) (Pub. L 110-289, approved July 30, 2008).

- a) The availability and use of these funds is subject to the Community Development Block Grant regulations (24 CFR Part 570), as applicable, the federal HOME Investment Partnerships Program (HOME) regulations (24 CFR Part 92), as applicable, and Chapter 2306, Texas Government Code. Other federal regulations may also apply such as, but not limited to, 24 CFR Part 58 for environmental requirements, 24 CFR Parts 84 and 85, as applicable, for such issues as procurement and conflict of interest, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u) and implementing regulations at 24 CFR part 135, relocation assistance provisions at 42 U.S.C §5304 (d) and 24 CFR Part 42, lead based paint procedures (24 CFR Part 35, subparts A, B, J, K, and R), and 24 CFR Parts 100-115 for fair housing, and the NSP Rule (Texas Administrative Code, Title 10, Part 1, Chapter 9). Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules and program guidelines that govern the program.
- b) NSP1-PI will be awarded independently of the Texas NSP1, Texas NSP-R, or Texas NSP3 awards. New applicants and current subgrantees in good standing that have met benchmarks in existing Texas NSP contracts are encouraged to apply for NSP1-PI funds. NSP1-PI funds may not be used to re-finance or replace Texas NSP1, Texas NSP-R, or NSP3 but may be used to complete Texas NSP1, Texas NSP-R, or Texas NSP3 projects in eligible target areas, if such projects are an eligible use under this NOFA.

- c) The Department reserves the right to change the provisions of this NOFA based on updated HUD Notices or changes in state law.

## **2) Allocation of Texas NSP1-PI Funds**

TDHCA will coordinate activities in accordance with NSP guidelines including establishment of financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties, purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed, establishment of land bank/trusts, removal of blight, and the redevelopment of demolished or vacant properties. Households directly assisted with NSP funds must be income eligible and be at or below 120% of the Area Median Family Income (AMFI), as defined by HUD or as otherwise restricted by this NOFA. To the extent that a development assisted with NSP1-PI funds is also assisted by one or more other programs, the development may be required to meet additional requirements imposed by those other programs.

## **3) Definitions**

- a) As stipulated in the *Federal Register* Notices (**Dockets No. FR-5447-N-01, F-522-N-02, and FR-5321-N-03**) for NSP, there are certain terms used in HERA that are not used in the regular CDBG program. Certain terms may be used differently in HERA and in the Housing and Community Development Act of 1974, as amended. When in conflict, definitions published in the *Federal Register* (**Docket No. FR-5447-N-01, F-522-N-02, and FR-5321-N-03**) and any subsequent HUD Notice or changes in State law are controlling for Texas NSP.
- b) The Department will use local code to determine the definition of a blighted structure, except that moral blight is not eligible. If there is no local definition, blighted structure shall mean when a structure exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

## **4) Limitations on Funds**

- a) In order to avoid allocating small amounts of funding that would likely have no meaningful impact on stabilizing of property values, the minimum award amount to an eligible entity cannot be less than \$30,000.
- b) The maximum number of properties funded with new reservations of Texas NSP1-PI funds for an applicant at any one time is three (3) within a 60 calendar day period. This limit may be waived for applicants assisting NSP-eligible TDHCA HOME properties, in the sole determination of the Department
- c) Department-authorized pre-award costs for predevelopment activities, including but not limited to legal, architectural, engineering, appraisal, surveying, environmental, and market study fees, may, at the sole discretion of the Department, be reimbursed if incurred before the effective date of a Contract so long as the costs are in accordance with 24 CFR §§570.205 and 206 and 24 CFR Part 58 and the limitations herein.

- d) Additional limitations as defined in HERA, Dodd-Frank, and HUD NSP Notices regarding purchases, rehabilitation, and sales of properties, will be strictly enforced.
- e) The Department may adjust additional contract management benchmarks to ensure the proportionate use of funds to meet the federal mandates regarding serving households earning not more than 50% of AMFI, discounts on acquisitions and timely use of funds, and other requirements, as applicable.

**5) Administrative and Activity Delivery/Soft Costs Limitations**

- a) Each applicant that is awarded NSP1-PI funds may also be eligible to receive funding for administrative costs. This term covers both administration and developer fees. Administration funds may be awarded to subrecipients only and Developers may be awarded a developer fee only. No entity will receive both administration and developer fees. The award amount for the Administration or Developer Fee line item may be up to five percent (5%) of the total contract amount for all activities. The administrator must use these funds in accordance with 24 CFR §§570.205 and 206, and Office of Management and Budget (OMB) Circulars A-87, A-122, A-102 and A-110, as applicable.
- b) Administrative costs for projects may not be drawn upon until closing, and then only up to 10% of an award. Subsequent administrative draws are allowed in proportion to the direct project funds drawn on the contract. Developer fee draws may be further limited by underwriting conditions applied to the project.
- c) Activity Delivery costs are soft costs that are directly related to and incurred in carrying out activities for a specific housing unit or property, and they are separate and distinct from the general administrative costs, for which limits are stated herein. The Texas NSP limits Activity Delivery costs according to activity as specifically described in the program activity sections and as stated herein.
- d) Eligible Activity Delivery soft costs must be reasonable and consistent with industry norms. Specific eligible activities include, but are not limited to:
  - i.) preparation of work write-ups, work specifications, and cost estimates;
  - ii.) architectural, engineering or professional services required to prepare plans, drawings or specifications directly attributable to a particular project;
  - iii.) inspections for lead-based paint, asbestos, termites, or septic systems;
  - iv.) interim and final inspections by the construction inspector;
  - v.) financing fees, credit reports, title binders and insurance;
  - vi.) recordation fees, transaction taxes;
  - vii.) legal and accounting fees;
  - viii.) appraisal fees;
  - ix.) architectural and engineering fees, including specifications and job progress inspections;
  - x.) relocation costs;
  - xi.) site specific environmental reviews;
  - xii.) lead hazard evaluation and reduction costs; and

- xiii.) Other soft costs that are demonstrably necessary to the production of an identified NSP-eligible housing unit and that are approved in writing by the Department before the costs are expended.
  - e) For all activities, Activity Delivery costs will be restricted to a percentage of the non-administrative NSP costs per housing unit or property. The related Activity Delivery costs maximum will be based on the activity in a range from 5% to no more than 20% of the non-administrative NSP costs (hard costs). Activity Delivery costs may not exceed the forgoing limits without prior written approval by the Department. Additionally upon prior approval of the Department, further exceptions may be allowed in the case of Rehabilitation activities for lead-based paint hazard reduction, noise studies, and/or cost categories not identified in the Texas NSP1-PI NOFA.
  - f) For multi-family projects, Activity Delivery costs for specific properties that are not ultimately acquired by the subgrantee may be reimbursed, with the permission of the Department, only if the project has received a favorable underwriting report. All other projects may be reimbursed, with the permission of the Department. Permission will not be given, if the applicant is not in good standing with TDHCA or under any Texas NSP contract. Up to 50% of the maximum Activity Delivery amount established for the related eligible activity may be reimbursed if the transaction does not close.
  - g) Subgrantees must certify, and provide invoices or other documentation, that the amount being reimbursed is for the actual amount of costs, including Administrative and Activity Delivery costs.
  - h) Eligible Costs are limited to those listed in 24 CFR §570, Subpart C, or as otherwise identified in the NSP *Federal Register* Notice or subsequent notices. No duplicate reimbursement of costs is allowed. Costs may only be reimbursed as either a project Activity Delivery cost or Administrative cost but not both. Additionally, costs may only be reimbursed once per occurrence when providing both acquisition and construction assistance to the same Project or Activity.
- 6) **Eligible and Prohibited Activities.**
- a) The use of NSP1-PI grant funds must constitute an eligible use under HERA and this NOFA. Most of the activities eligible in NSP represent a subset of the eligible activities under 42 U.S.C. §5305(a). The NSP eligible uses must be correlated with CDBG-eligible activities.
  - b) Prohibited activities include, but are not limited to:
    - i) The direct payment of delinquent taxes, fees, or charges on properties to be assisted with NSP1-PI funds;
    - ii) The payment of any cost that is not eligible under 24 CFR §§570.201- 570.206;
    - iii) Assistance to persons who owe payments identified by the Comptroller of Texas as relevant (including, but not limited to, child support, student loans, and delinquent taxes);or

iv) Assistance to any household whose property is subject to tax liens and/or judgment liens in favor of the State of Texas against it.

**7) Eligible and Ineligible Applicants**

- a) Eligible applicants for rental projects are nonprofit organizations as described in Section 501 (c)(3) or (c)(4) of the Internal Revenue Code who are required by federal rules to follow 24 CFR Part 84. Eligible applicants for homebuyer properties are units of general local government (including public housing authorities) who will follow 24 CFR Part 85, nonprofit organizations as described in Section 501(c)(3) or (c)(4) of the Internal Revenue Code, who are required by federal rules to follow 24 CFR Part 84, and Housing Finance Corporations authorized under the provisions of the Texas Housing Finance Corporation Act, Texas Government Code, Chapter 394.
- b) Subgrantees under Texas NSP1, Texas NSP-R, and Texas NSP1-PI must have successfully met all contract milestones and thresholds as of the date of application and reservation to be in material compliance with their contracts in order to be eligible to apply under this NOFA; additionally, subgrantees must be in material compliance with any and all TDHCA contracts at the time of award.
- c) The following violations will cause an Applicant and/or any Applications they have submitted to be ineligible:
- i) The Applicant is an Administrator of a previously funded Contract for which Department funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to application submission date; an exception may be made at the discretion of the Department if the deobligation was voluntary, part of project close-out or the remainder was completed on a subsequent Contract;
  - ii) The Applicant has failed, (within the reasonable time allotted for response), to submit a response to provide an explanation, evidence of corrective action or a payment of disallowed costs or fees as a result of a monitoring review;
  - iii) The Applicant is delinquent on any loan payment or fee due to the Department on the date of the Application submission;
  - iv) The Applicant has been or is barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs or has otherwise been debarred by HUD or the Department;
  - v) The Applicant has violated the State laws regarding ethics, including revolving door policy;
  - vi) The Applicant has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline;
  - vii) The Applicant at the time of Application submission is subject to the following for which proceedings have become final:
    - (a) an enforcement or disciplinary action under state or federal securities law or by the NASD;
    - (b) a federal tax lien; or

- (c) is the subject of an active enforcement proceeding with any governmental entity.
- viii) The submitted Application has excessive omissions of documentation to substantiate the Selection Criteria; or is so unclear, disjointed, or incomplete, as determined by the Department, that a thorough review cannot reasonably be performed. If an Application is determined ineligible pursuant to this section, the Application will be terminated without the opportunity for corrections of administrative deficiencies.
- ix) The Applicant or anyone that has controlling (51%) ownership interest in the development owner or developer that is active in the ownership or control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the Land Use Restriction Agreement (LURA) (10 TAC §60.121); and
- x) Any Application that includes financial participation by a Person who, during the five-year period preceding the date of the bid or award, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or Reconstruction efforts as a result of Hurricanes Rita or Katrina or any other disaster occurring after September 25, 2005, or was assessed a federal civil or administrative penalty in relation to such a contract.

## **8) Program Activities**

### **a) General Requirements for all Activities**

- i) **Income Targeting:** All NSP1-PI activities must benefit low, moderate and middle-income persons as defined in the NSP Notice ( $\leq 120\%$  of area median income). All NSP funded rental activities must benefit households at or below 50% AMFI, unless prior approval is received from the Department.
- ii) **Program Income:**
  1. Subrecipients shall not retain any Program Income (as defined at 24 CFR §570.500 (a) (1) but not including the exclusions found at 24 CFR §570.500 (a)(4) of any kind however derived, including the retention of Program Income to fund other eligible Texas NSP activities. Any program income received from subrecipient activities utilizing Texas NSP1-PI funds must be returned to the Department within ten (10) business days. Revenue received by a private individual or other entity as a result of subrecipient activities involving NSP1-PI funds must also be returned to the Department within ten (10) business days. Unless otherwise stated herein the subrecipient shall comply with the requirements of 24 CF.R §570.489(e) to account for program income, repayments, and recaptured funds.
  2. Developers shall not retain any Program Income (as defined at 24 CFR §570.500 (a) (1) but not including (iii) and (iv) or the exclusions found at 24 CFR §570.500 (a)(4)) of any kind however derived, including the retention of Program Income to fund other eligible Texas NSP activities. Any program income received must be returned to the Department within ten (10) business days. Revenue received by a

private individual or other entity as a result of developer activities involving NSP1-PI funds must also be returned to the Department within ten (10) business days. Unless otherwise stated herein, developers shall comply with the requirements of 24 C.F.R. §570.489(e) to account for program income, repayments, and recaptured funds.

- iii) **Appraisals:** The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with either: 1) the appraisal requirements of the URA at 49 CFR part 24.103, along with the Uniform Standards of Professional Appraisal Practice (USPAP), The appraisal must be completed or updated within 60 days of a final offer made for the property by a subgrantee or individual homebuyer. However, if the anticipated value of the proposed acquisition is estimated at \$25,000 or less, the current market appraised value of the property may be established by a valuation of the property that is based on a review of available data and is made by a person the grantee determines is qualified to make the valuation. Appraisers must follow the Uniform Appraisal Standards for Federal Land Acquisitions.
- iv) **Discount:** All NSP1-PI assisted property acquisitions must attain the statutorily-required minimum 1% discount from the market appraised value, at the time of purchase. The discount is confirmed by an appraisal that meets NSP guidelines, as stated herein. Homebuyers purchasing foreclosed properties directly from the initial successor in interest must also attain the discount.
- v) **Protecting Tenants at Foreclosure:** Subgrantee and homebuyer purchases of property from the initial successor in interest in a foreclosure will be subject to Protecting Tenants at Foreclosure Act of 2009 (Public Law 111-22, Title VII) requirements and Recovery Act (Public Law 111-5) requirements.
- vi) **Environmental Review:** Subgrantees must complete environmental review procedures and receive release of funds by TDHCA prior to purchase of any property or commencement of construction. In addition, before beginning construction the applicant will have (i) received all requisite building permits and approvals of the Plans, (ii) filed and/or recorded all requisite plats and other instruments and (iii) complied with all Legal Requirements and Environmental Laws required to be met prior to commencement of construction of the Improvements including, without limitation, all applicable restrictive covenants, zoning ordinances, subdivision and building codes, The Texas Asbestos Health Protection Rules, Texas Mold Assessment and Remediation Rules, the provisions of the Texas Windstorm Insurance Association, Chapter 2210 of the Insurance Code for applicable coastal counties flood disaster laws, applicable health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the property.

- vii) **Contingency:** A 10% contingency for all construction or rehabilitation budgets may be added to the reservation for each project.
- viii) **Benchmarks:**
1. It is anticipated that the initial applicants for future reservation of the Texas NSP1-PI will be submitted for consideration by the TDHCA Governing Board on May 5, 2011.
  2. Subgrantees will have up to 60-days from the date of reservation to close a transaction in accordance with their award.
  3. More specific benchmarks will be developed per property via contract.
- ix) **Eligible and Ineligible Property:** Eligible property types for NSP1-PI assistance are limited to single-family homes and residential property (property intended for residential purposes, *i.e.* zoned residential or where there is no zoning, residential use is consistent with deed restrictions and any other limiting factors) including condominium units, apartment units, cooperative units in mutual housing projects and multifamily residential property. Further restrictions on property eligibility may apply according to the planned NSP activity. Blighted or vacant non-residential properties may be assisted with NSP1-PI funds, but only as part of a new construction, rehabilitation or reconstruction activity of single-family homes and residential property.
1. Manufactured Homes may be eligible for assistance if :
    - (a) The unit complies with the Texas Manufactured Housing Standards Act under Chapter 1201 of the Texas Occupation Code;
    - (b) The unit is permanently installed in accordance with the Texas Manufactured Housing Standards Act;
    - (c) The unit is permanently attached to utilities; and
    - (d) The ownership of the unit is recorded in the taxing authority of the county in which it is located.
- x) **HOME previously-assisted property:** If NSP1-PI funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure pursuant to 24 CFR Part 92, the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of this notice will apply, unless the NSP1-PI affordability restrictions are greater and then the NSP1-PI affordability restrictions will apply. The Department will give priority consideration to applications which are completing the affordability period of distressed TDHCA HOME properties. This determination will be made in the sole discretion of the Department.
- xi) **Energy Standards** Gut rehabilitation, reconstruction or new construction of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes. All gut rehabilitation, reconstruction or new construction of mid-or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers



(ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent. Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken. All projects must purchase Energy Star products and appliances. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

xii) **Compliance and Monitoring** All properties will be monitored using the procedures outlined in the Texas Administrative Code Chapter 60. All owners will be required to file reports with the Department as outlined in Chapter 60. Rental properties will be required to pay an annual fee monitoring and compliance fee as established by the Department from time to time.

xiii) **Target Score** All NSP1-PI assisted properties must be located in a census tract with a score of 14 or greater. The score determination is made concurrent with the reservation of funds for a specific property. The HUD data and mapping tool may be found on the HUD website, here: <http://www.huduser.org/nspgis/nsp.html> . An exception to the target score requirement, in the sole determination of the Department, may be made for properties that were obligated under the NSP1 or NSP-R NOFAs.

b) **Financing Mechanisms**

*Activity Type: NSP Eligible Use (A) Establish finance mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.*

*CDBG Eligible Activities: 24 CFR §570.206 Activity delivery costs; Also, the eligible activities listed here to the extent financing mechanisms are used to carry them out: 24 CFR §570.201 (a) Acquisition, (b) Disposition, (n) Homeownership Assistance; 24 CFR §570.202 Rehabilitation.*

TDHCA will make permanent mortgage financing and homebuyer assistance available to low, moderate, and middle income households purchasing foreclosed homes. Qualifying households will work with subgrantee entities to identify appropriate properties and complete eligibility requirements. Subgrantees may offer financing for properties they have rehabilitated or constructed with Texas NSP1-PI funds, or for properties that homebuyers locate.

This activity will provide affordable ownership and rental opportunities by providing financing mechanisms to a subgrantee or individual homebuyer to purchase or facilitate the purchase of foreclosed homes or residential property.

i) **Permanent Ownership Financing for Low-Income Households**

1. Qualified Households earning 50% or less AMFI based on household size may obtain Mortgage Financing from TDHCA to purchase a foreclosed single-family home or residential property.

(i) Permanent mortgage loans will be fully-amortized over 30 years with a zero percent (0%) interest rate.

- (ii) Fully amortizing scheduled repayment will be as set forth in loan documents executed at loan closing.
  - (iii) Closing costs may be financed, up to 100% of the combined loan to value.
  - (iv) Qualified households may combine NSP1-PI permanent financing with homebuyer assistance from NSP1, NSP-R, NSP3 or other sources.
2. A minimum investment of no less than \$500 will be required from all homebuyers receiving financing assistance through the Texas NSP1-PI. Qualified households participating in an approved self-help housing program may be allowed to substitute “sweat equity” for the investment requirement.
  3. All homebuyers accessing NSP1-PI permanent financing will be required to meet Texas NSP Homebuyer Underwriting Guidelines.
  4. All properties assisted with NSP1-PI funds must meet Uniform Physical Condition Standards.

ii) **Down payment Assistance for Low , Moderate and Middle Income Households**

1. Households with income levels less than 120% of the AMFI based on household size will be eligible to access Texas NSP1-PI funds for down payment assistance, reasonable closing costs, principal reductions, and gap financing.
2. Assistance of up to \$30,000 will be available to assist in qualifying for private mortgage financing.
  - (i) Homebuyer Assistance will be in the form of a 2<sup>nd</sup> or 3<sup>rd</sup> position lien, zero percent (0%) interest, deferred-payment forgivable loan.
  - (ii) The principal will reduce proportionally every year that the homebuyers’ occupy the home.
3. A minimum investment of no less than \$500 will be required from all homebuyers receiving permanent financing assistance through the Texas NSP1-PI. Qualified households participating in an approved self-help housing program may be allowed to substitute “sweat equity” for the down payment requirement.
  - (i) The full amount of an NSP1-PI Land Bank loan maybe provided to an eligible homebuyer as Homebuyer Assistance, under the same terms and conditions as described above. The amount of Homebuyer Assistance will be the lesser of the Land Bank loan on the property or \$30,000.
  - (ii) All properties assisted with NSP1-PI funds must meet Uniform Physical Condition Standards.

iii) **Affordability Period:** The Texas NSP1-PI has adopted the federal program standards for continued affordability at 24 CFR 92.254, as a minimum. The ability of TDHCA to enforce this requirement for the full affordability period will be secured with a recapture provision in the loan documents, in form and substance satisfactory to TDHCA and its counsel.

**Affordability Periods for Texas NSP1-PI Homebuyer Assistance**

<b>Homeownership Assistance Amount Per-Unit</b>	<b>Minimum Period of Affordability in Years</b>
Under \$15,000	5

Over \$15,000	10
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- iv) **Repayment:** The NSP1-PI homebuyer assistance and permanent financing loans are to be repaid if any of the following occurs before the end of the loan term: resale of the property; refinance of the first lien; repayment of first lien or if the unit ceases to be the assisted household's principal residence. The amount of recapture will be based upon the recapture provision at 24 CFR §92.254(a)(5)(ii). Recapture of the amount of the NSP investment is reduced on a *pro rata* share based on the time the homeowner has owned and occupied the unit measured against the required affordability period. The recapture amount is subject to available shared net proceeds in the event of sale or foreclosure of the housing unit.
- v) **Restrictions:** The following loan requirements are imposed for all households receiving NSP1-PI financing:
1. No adjustable rate mortgage loans (ARMs) or interest rate buy-down loans are allowed;
  2. All sources of financing may not exceed 100% combined loan to value;
  3. No subprime Mortgage Loans are allowed;
  4. Lenders must require the escrow of taxes and homeowners insurance;
  5. An origination fee and any other fees associated with the mortgage loan may not exceed 2% of the first lien or purchase money mortgage loan amount or \$2,500.00, whichever is higher; and,
  6. The debt to income ratio (back-end ratio), as defined in Fannie/Freddie conventional loan underwriting guidelines, may not exceed 45%.
  7. Subgrantees must ensure that each NSP1-PI assisted homebuyer who receives conventional financing from a third party obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration). NSP-assisted homebuyers may not receive subprime mortgage loans. Compliance must be documented in the records maintained for each homebuyer.
  8. Properties purchased with NSP1-PI assistance must be the household's primary residence within 30 days of closing the mortgage loan.
  9. The Texas NSP will follow the Single Family Mortgage limits set under the February 2008 edition of Section 203(b) of the National Housing Act. Eligible entities may, with written approval of the Department, utilize as a mortgage limit the most recent 95% of Actual Median Sales for each county as promulgated by HUD. The current limit may be found on the TDHCA website, here: [http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/docs/A28203b-Limits\\_revised\\_12006.pdf](http://www.tdhca.state.tx.us/cdbg/ike-and-dolly/forms/docs/A28203b-Limits_revised_12006.pdf)
  10. NSP1-PI Homebuyer Financing is not available for investor purchases. The property financed must be the household's primary home.

11. The Texas Neighborhood Stabilization Program Homebuyer Financing Guidelines will apply for all NSP1-PI homebuyer transactions.

vi) **Homebuyer Counseling:** All NSP1-PI-assisted homebuyers will be required to provide evidence of completion of at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. Evidence must include documentation describing the level of homebuyer counseling, including post purchase counseling.

vi) **Rental (Single-family and Multifamily) Residential Property Financing:**

1. The acquisition of foreclosed, abandoned, or vacant properties by developers to create affordable rental opportunities may be funded through a permanent loan with the Department. Financing terms will be dependent on the level of affordability provided.

(a) Single family homes leased to households at or below 50% of AMFI will be eligible for financing through a loan at zero (0%) interest, fully amortized over 30 years through the Department, for eligible units.

(b) Single family homes leased to households at or below 30% of the AMFI will be eligible for zero percent (0%) interest, deferred forgivable financing of no more than \$30,000 per unit. Any remaining amount over \$30,000 per unit may be financed with a loan at zero percent (0%) interest, fully amortized over 30 years. The principal balance of the subordinate notes will be reduced proportionately every year that the home is occupied by an eligible household.

(c) Multifamily units leased to households at or below 50% of AMFI will be eligible for permanent financing,

1. Loans will be amortized over a period of 20 to 40 years, as determined in the underwriting report completed by the TDHCA REA division.

2. Loans will have an interest rate ranging from zero percent (0%) interest to five percent (5%) interest as determined in the underwriting report completed by the TDHCA REA division.

3. Regardless of the term or interest rate, all permanently financed units will have an affordability period of thirty (30) years secured by a LURA.

(d) Units leased to households at or below 30% of the AMFI in multi-family properties will be eligible permanent financing

1. Financing will be provided as a deferred-payment forgivable loan for 30 years,

2. The principal will be reduced every year that the unit is occupied by an eligible household.

3. Loans will be provided at zero percent (0%) interest.

4. No more than fifty percent (50%) of the NSP1-PI permanently financed units in a project may receive deferred-forgivable financing.

5. All permanently financed units will have an affordability period of thirty (30) years secured by a LURA.

- (e) At least 20% of the units in an assisted multi-family development must be leased to households at or below 120% of the AMFI in order for any units to be eligible for NSP1-PI permanent financing, regardless of affordability. Units leased to households over 50% of the AMFI are not eligible for permanent NSP financing.
2. Eligible property types are limited to single-family homes and residential property including condominium units, cooperative units in mutual housing projects and multifamily residential property.
  3. For multi-family properties the maximum per-unit subsidy amount and subsidy layering allowable under the HOME Program using Section 221(d)3 limits as defined as 24 CFR §92.250 will apply. The TDHCA underwriting guidelines in 10 TAC §1.32 will be used, which set as a feasibility criterion a 1.15 debt coverage ratio minimum.
  4. Properties will be restricted under a Land Use Restriction Agreement (“LURA”), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, prohibit the discrimination of renters using Section 8 Housing Choice Vouchers or any other comparable voucher program, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.
  5. Minimum affordability period requirements will apply to all assisted units. The affordability period for NSP1-PI permanently financed affordable units will be a minimum of 30 years for both single and multi-family units.

**Affordability Periods for Texas NSP1-PI Rental properties**

<b>Rental Housing Activity</b>	<b>Minimum Period of Affordability in Years</b>
Rehabilitation or acquisition of existing housing per unit: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20
Units with NSP Permanent financing	30

vii) Activity Delivery Cost Limits: Activity Delivery costs for all financing mechanisms will be limited to 10% of the NSP non-administrative costs per housing unit or property.

**c) Purchase and Rehabilitation of Abandoned or Foreclosed Properties –**

*Activity Type: NSP Eligible Use (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.*

*CDBG Eligible Activities: 24 CFR §570.201(a) Acquisition, (b) Disposition; 24 CFR §570.202 Rehabilitation.*

- i) The acquisition and rehabilitation of foreclosed and abandoned single-family and multifamily residential properties by subgrantees will be funded through a deferred-payable loan with the Department. Initial awardees must sell or lease properties to eligible Low, Moderate, and Middle Income households within 6 months of completion of rehabilitation.
- ii) Eligible properties will meet the HUD definition of abandoned or foreclosed at the time of reservation.
- iii) Homes must be re-sold to eligible households at a price no higher than the cost to acquire and rehabilitate the property.
- iv) Rehabilitated residential property must result in permanent housing.
- v) Rehabilitation includes activities and related costs as described in 24 CFR §570.202(b), but limited to the improvement or modification of an existing residential property through an alteration, addition, or enhancement including the demolition of an existing residential property and the reconstruction (rebuilding of a structure on the same site in substantially the same manner) of residential property.
- vi) Abandoned and foreclosed properties that have been purchased and rehabilitated, or reconstructed under this activity may be eligible for financing under the same terms and conditions described under Use A—Financing Mechanisms.
- vii) Activity Delivery Cost Limits: Activity Delivery costs for acquisition-only activities will be limited to 15% of the NSP non-administrative costs per housing unit or property. Purchase and Rehabilitation and Rehabilitation only projects will be limited to 20% of the NSP non-administrative costs per housing unit or property. The limit of Activity Delivery funds available for a multi-family property may be restricted by underwriting conditions.

**d) Land Bank**

*Activity Type: NSP Eligible Use (C) Establish land banks for home and residential properties that have been foreclosed upon.*

*CDBG Eligible Activities: 24 CFR §570.201 (a) Acquisition and (b) Disposition*

- i) A land bank may be established by subrecipients to assemble, manage temporarily, and dispose of properties for the purpose of stabilizing neighborhoods and encouraging reuse or redevelopment of the properties. Developers may not establish land banks.

- ii) Subrecipients will be required to submit a Land Bank Plan, describing project milestones, future redevelopment plans and potential fund sources prior to closing the purchase transaction.
- iii) Financing of Land Bank properties will be available in the form of a ten (10) year, deferred payable loan. Release of the Land Bank lien will be conditioned on repayment of the loan and occupation of the property by an NSP1-PI eligible household.
- iv) The full amount of the NSP1-PI Land Bank loan may be provided to an eligible homebuyer as NSP1-PI Homebuyer Assistance, up to the programmatic maximum of \$30,000. All conditions for Homebuyer Assistance in the section above will apply.
- v) Properties held in a Land Bank with NSP1-PI financing are not eligible for interim rental use.
- vi) An approved Land Bank Plan will be required prior to closing of any NSP1-PI Land Bank loan.
- vii) Subrecipients are limited to the types of properties that may be acquired using land bank funding in the following manner:
  1. Properties must be located within an eligible census tract in which 51% or more of the households are at AMFI of 120% or less;
  2. Acquired properties must meet the HUD definition of foreclosed; and
  3. NSP1-PI Land Bank properties may be held for no more than 10-years without obligating the property to a specific, eligible redevelopment in accordance with NSP1-PI requirements.
- viii) Land bank funding may only be used to acquire and dispose of eligible properties. NSP1-PI funds may also be used for basic, reasonable maintenance intended to stabilize the property and for the temporary management of the property which includes maintenance, assembly facilitating the redevelopment of and marketing of land banked properties. If the land bank is a governmental entity, it may also maintain foreclosed property that it does not own provided that it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.
- ix) Administrative cost reimbursement for land bank activities will be limited to the period of the NSP1-PI contract, and in no case extend beyond the termination date of the HUD NSP1 Agreement. Subrecipients will be required to provide evidence of capacity to fund administrative activities for the Land Bank in subsequent years of the contract.
- x) Activity Delivery Cost Limits: Activity Delivery costs for Land Bank will be limited to 20% of the NSP non-administrative costs per housing unit or property. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

**e) Clearance (Removal of Blight or Demolition)**

*Activity Type: NSP Eligible Use (D) Demolish Blighted Structures*

*CDBG Eligible Activity: 24 CFR 570.201(d) Clearance of blighted structures only.*

- i) Clearance is intended to address areas of greatest need, where subrecipients can prove that blighted structures are affecting property values in the area and pose a threat to human health, safety, and public welfare. Local definition of blight may be applied, with the exception of a finding of “moral blight”. Funds to complete demolition activities not associated with acquisition, rehabilitation, or redevelopment will be provided as a grant.
- i) This activity cannot be utilized to meet the federal low income target requirement for 50% AMFI, but may be used in conjunction with other eligible activities.
- ii) Blighted structures to be removed should be located in eligible census tracts, in which 51% or more of the households are at or below 120% of the AMFI.
- ii) Subrecipients may use NSP1-PI demolition funds to remove blighted structures on properties they do not own, provided they are granted authority under law.
- iii) If the subrecipient will record a lien on the property after demolition in accordance with local ordinance or custom, program income created by the lien must be returned to TDHCA upon receipt. TDHCA may require specific language to be included in demolition liens, providing for return of program income, or the subrecipient may be subject to a deferred, payable, unsecured note at zero percent (0%) interest, equal to the amount of the demolition costs.
- iv) Activity Delivery Costs: Activity delivery costs directly associated with the activity of clearance are limited to 5% of the hard costs required to carry out the activity. At the discretion of the Department, activity delivery costs exceeding per unit limits may be spread among the portfolio of properties as long as the activity delivery costs do not exceed the respective percentages for the Eligible Use Budget line items.

**f) Redevelopment**

*Activity Type: NSP eligible use (E) Redevelop Demolished or Vacant Properties*

*CDBG Eligible Activities: 24 CFR §570.201(a) Acquisition, (b) Disposition, (i) Relocation, (n) Homeownership Assistance (restricted)*

- i) Redevelopment of demolished or vacant properties will address areas of greatest need throughout the state, where vacant properties are contributing to declining land values. Eligible redevelopment activities include acquisition, rehabilitation and new construction of housing for eligible ownership or rental use as permanent housing.
- ii) Subgrantee financing for acquisition and redevelopment activities will be made available in the form of a deferred-payable zero-interest loan. The loan will be due three years from the contract start date. All or a portion of the subgrantee loan may be converted to financing for eligible households under the same terms and conditions as Use A—Financing Mechanisms, at or prior to the subgrantee loan date.



- iii) Acquisition, rehabilitation and new construction of residential properties must result in permanent housing. Properties must be sold to eligible households at a price no higher than the cost to acquire and construct the home (some activity delivery costs associated with the sale of the property may be included).
- iv) “Vacant properties” includes both vacant land and properties with vacant structures on the land; however, vacant land must be infill properties or previously developed. “Greenfield” sites may not be acquired under Eligible Use (E).
- v) Activity Delivery Cost Limits: Activity Delivery costs for Redevelopment will be limited to 20% of the NSP non-administrative costs per housing unit or property.

## **9) General Loan Requirements**

### **a) Multifamily Rental Development Loan Requirements.**

- i) Award amounts are limited to available funding as described in the application process. The minimum loan may not be less than \$1,000 per NSP1-PI assisted unit. The Department’s underwriting guidelines in 10 TAC §1.32 will be used, which set as a feasibility criterion a 1.15 debt coverage ratio minimum. Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and the scope, specifications and costs must be outlined in a Property Condition Assessment pursuant to 10 TAC §1.36. When NSP1-PI funds are used for a rehabilitation development the entire property must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a) (1) and as outlined herein.
- ii) When the Department funds will be in a first lien position and funds are to be used for new construction, redevelopment and/or rehabilitation, assurance of completion of the development in the form of payment and performance bonds in the full amount of the construction contract is required. Such assurance of completion will run to the Department as obligee and must be documented prior to starting construction. The obligation must be from a surety acceptable to the Department in its sole and reasonable discretion.
- iii) NSP1-PI Multifamily properties will be underwritten using the current year Real Estate Analysis Rules, except that if the Rules and the Federal or Texas NSP guidelines conflict, the provisions described in the HUD notice or described herein will govern.
- iv) NSP1-PI funds may only be used to create an operating reserve if a third-party lender requires that funds be allocated for operating reserves as a condition for approving their loan. The amount of operating reserves may exceed amounts provided for in TDHCA’s Real Estate Analysis rules only with documentation acceptable to the

Department of the third-party lender's reserve requirements. If no third-party lender requirement is imposed in the transaction, the Department may require the developer to defer a fee or a portion of the fee to make the deposits to operating reserves until the end of the contract period. The Developer may not use NSP funds to pay for an on-going subsidy (or any other on-going project based rental assistance). The Developer is required to establish a Reserve for Replacement consistent with 10 TAC 1.37.

- v) The Texas NSP will adopt the federal program standards for continued affordability for rental housing at 24 CFR 92.252(a), (c), (d), (e) and (f), and 92.254, however, multifamily housing units will also be required to adhere to a 30-year affordability period as defined in the Texas Government Code §2306.185, which outlines State of Texas long-term affordability requirements. Units targeting households earning 50% of AMFI must maintain income and rent restrictions for households at that level published by the Department. Units permanently financed with NSP1-PI funds will have a 30-year affordability period
- vi) If the Department's loan(s) amount to more than 50% of the total development cost, except for developments also financed through the USDA-515 program, the Application MUST include:
  - 1. A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
  - 2. A letter from the developer's or owner's bank(s) confirming funds amounting to 10% of the total development cost are available; or
  - 3. Evidence of a line of credit or equivalent tool equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities.

**c) Documents Supporting Mortgage Loans**

- i) All mortgage loans shall be evidenced by a mortgage or deed of trust note and by a mortgage that creates a lien payable to TDHCA on the housing development and on all real property that constitutes the site of or that relates to the housing development and such other documents as TDHCA may reasonably require. All documents must be in form and substance satisfactory to TDHCA and its counsel.
- ii) For each Loan made for the development of housing with funds provided under the NSP1-PI program, the Department shall be provided with a mortgagee's title policy in the amount of the loan, with the exception of Homebuyer Assistance only loans. The Department may not designate a specific title insurance company to provide the mortgagee title policy or require the borrower to provide the policy from a specific title insurance company. The borrower shall select the title insurance company to close the loan and to provide the mortgagee title policy. The title policy may not

reflect any liens, charges, encumbrances, or other matters excepted from coverage that are not acceptable to TDHCA in its sole and reasonable judgment.

- iii) A note or bond and a mortgage or deed of trust:
  - 1. must contain provisions satisfactory to the Department;
  - 2. must be in a form satisfactory to the Department; and
  - 3. may contain exculpatory provisions relieving the borrower or its principal from personal liability if the Department agrees.

**d) Documents Supporting Homebuyer Assistance and Rehabilitation Loans**

- i) The Subgrantee must ensure that required documents as listed on NSP property Set-up forms, underwriting guidelines, or program manuals are timely submitted to the Department, in order to request that Loan documents be prepared for the Household.
- ii) Additional documentation may be requested in order to complete the appropriate underwriting review.
- iii) The Subgrantee will be responsible for timely coordination of all parties in order to meet closing deadlines. Continued late submission of required documents or lack of response to Department requests may result in de-obligation of NSP1-PI funds and termination of the Contract.
- iv) All NSP1-PI homebuyer financing will be secured with documents approved by the Department.

**10) Site and Construction/Development Restrictions**

**a) Single Family Housing**

- i) Pursuant to HERA, housing that is constructed or rehabilitated with NSP1-PI funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, the housing must meet the International Residential Code and the National Electrical Code, as applicable. In addition, housing that is rehabilitated with funds awarded under this NOFA must meet all applicable energy efficiency standards established by §2306.187 of the Texas Government Code, and energy standards as verified by RESCHECK.
- ii) If a Texas NSP1-PI assisted single-family or duplex is newly constructed and reconstructed, the applicant must also ensure compliance with the universal design features in new construction, established by §2306.514 of the Texas Government Code, and as implemented by TDHCA.
- iii) All NSP1-PI assisted properties must meet all applicable State and local housing quality standards and code requirements, which at a minimum must address Universal Physical Condition Standards (UPCS) or the housing quality standards (HQS) in 24

CFR §982.40, but only if HQS is required for another funding source. If there are no such standards or code requirements, the housing must meet Universal Physical Condition Standards, unless HQS is required for another fund source. When NSP1-PI funds are used for rehabilitation the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

iv) All NSP1-PI assisted ownership units must pass inspection by a licensed Texas Real Estate Commission inspector prior to occupation.

**b) Multifamily Rental Housing**

i) Pursuant to HERA, housing that is constructed, reconstructed or rehabilitated with NSP funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. When NSP funds are used for rehabilitation, the entire development must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a) (1). In the absence of a local code for new construction, reconstruction, or rehabilitation, NSP-assisted new construction, reconstruction or rehabilitation must meet, as applicable, International Residential Code and the National Electrical Code. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in an NSP-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Gut rehabilitation, reconstruction or new construction of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes. All gut rehabilitation, reconstruction or new construction of mid-or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent. Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken.

ii) Multifamily Rental Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and covered multifamily dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619) and the Fair Housing Act Design Manual produced by HUD. Additionally, pursuant to the current QAP as of the date of reservation, 10 TAC §50.9(h)(4)(H), Developments involving New Construction (excluding New Construction of nonresidential buildings) where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (*i.e.* one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A certification will be required after the Development is completed from an inspector, architect, or accessibility specialist. For rehabilitation developments, the scope, specifications and costs associated with complying with accessibility requirements must be identified in the Property Condition Assessment.

iii) All NSP1-PI assisted properties must meet all applicable State and local housing quality standards and code requirements, which at a minimum must address Universal Physical Condition Standards (UPCS) or the housing quality standards (HQS) in 24 CFR §982.40, but only if HQS is required for another funding source. If there are no such standards or code requirements, the housing must meet Universal Physical Condition Standards, unless HQS is required for another fund source. When NSP1-PI funds are used for rehabilitation the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

iv) The Real Estate Analysis Rules current as of the date of the application, will apply, except that if the Rules and the Federal or Texas NSP guidelines conflict, the provisions described in the HUD notice or described herein will govern.

v) All applications with multifamily housing units intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

vi) Any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the one-hundred (100) year floodplain. No buildings or roads that are part of a Development proposing Rehabilitation (excluding Reconstruction) with the exception of Developments with existing and ongoing federal funding assistance from HUD or TRDO-USDA, will be permitted in the one-hundred (100) year floodplain unless they already meet the requirements established in this subsection for New Construction, or if the Unit of General Local Government has undertaken mitigation efforts and can establish that the property is no longer within the one-hundred (100) year floodplain.

vii) Multifamily properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

viii) A single-site development of over 16 units must have all the development amenities listed in 10 TAC §49.4 (14) or as defined in the threshold requirements in the Qualified Allocation Plan, current as of the date of application. If a development is requesting a waiver of any threshold amenity the waiver request must be included in the application. Requests will be evaluated using the criteria outlined in 10 TAC §49.4 (14).

c) **Additional Requirements (Single and Multifamily Housing)**

i) NSP assisted new construction, rehabilitation, or renovation will comply with federal lead-based paint requirements including lead screening in housing built before 1978 in accordance with 24 CFR Part 92.355 and 24 CFR Part 35, subparts A, B, J, K, M, and R.

ii) As applicable, Davis-Bacon Labor Standards will apply, and for Multifamily Housing and must be discussed in the Property Condition Assessment.

iii) Section 3: Recipients will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. Reporting of efforts and results according to Department policy will be required of all subgrantees. A Section 3 Plan is required for all NSP1-PI properties.

iv) Affirmative Marketing. Recipients must adopt affirmative marketing policies and procedures in furtherance of Texas' commitment to non-discrimination and equal opportunity in housing. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, gender, religion, familial status or disability. Records should be maintained describing actions taken by the Administrator to affirmatively market units and assess the results of these actions. An Affirmative Marketing Plan is required for all NSP1-PI properties.

v) Texas NSP1-PI will require adherence to the guidelines set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24) and 104(d) requirements set out in 24 CFR Part 42, as modified by HERA.

vi) All applicants must have Limited English Proficiency Policy that follows Executive Order 13166, as implemented by HUD.

vii) All applicants must ensure compliance with the certifications required by HUD, as outlined in *Federal Register* Notice (**Docket No. FR-5447-N-01**).

## **12) Review Process**

Because Program Income will be available only as repayments from NSP1 and NSP-R are made, these funds will be made available under a Reservation System. Eligible applicants will be able to apply to participate in the NSP1-PI Reservation System during two periods each year. Applicants will be presented to the TDHCA Governing Board for approval. If the available

funds under NSP1-PI exceed \$1,000,000 for more than 30 days, the Department may accept applications from new participants in order to fully utilize the funds. The availability of applications will be announced on the TDHCA website. The first regular application cycle will begin in February, 2011.

- a) Each applicant will be required to submit an application to participate in the NSP1-PI Reservation System. The applications can be found on the Department's website. Once an applicant is eligible, they will retain their eligibility through December 31, 2012, unless the applicant has an event described herein that causes them to lose their eligibility.
- b) After an initial round of applicant qualification, the Department will release an application for funding in the 3rd quarter of 2011, depending on funding availability.
- c) Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits, as applicable. Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA.
- d) The Department will ensure review of materials required under the NOFA, Program Guide, and application and will issue a notice of any Administrative Deficiencies within ten (10) business days of the received date, if the application meets minimum threshold score criteria. Administrative deficiencies are omissions, inaccuracies or incomplete information on the application that can be readily corrected. Applications with Administrative Deficiencies not cured within a subsequent ten (10) business days will be terminated.
- e) If a submitted Application fails to meet threshold score criteria, has an entire section of the application missing; has excessive omissions of documentation from the Selection Criteria or required documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.
- f) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.
- g) All Applicants will be processed through the Department's Application Evaluation System, and will include a previous award and past performance evaluation. Poor past

performance may disqualify an Applicant for a funding recommendation or the recommendation may include conditions.

- h) Approval of eligible project reservations will be presented to the Executive Director for execution of award. All such eligibility determinations could be subject to ratification by the Department's Governing Board of Directors prior to funding.
- i) In accordance with §2306.082, Texas Government Code and 10 TAC §1.17, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC §1.17.
- j) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.
- k) Each applicant will be required to demonstrate how their proposal addresses their local needs and how, if applicable, it coordinates with their community's consolidated plan

### **13) Application Submission**

- a) The Department will accept applications from 8 a.m. to 5 p.m. Austin local time each business day, excluding federal and state holidays. Questions regarding this NOFA should be addressed to:

Texas Department of Housing & Community Affairs  
221 E. 11<sup>th</sup> Street  
Austin, Texas 78701  
Telephone: (512) 475-3726  
E-mail: [marni.holloway@tdhca.state.tx.us](mailto:marni.holloway@tdhca.state.tx.us)

- b) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.
- c) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy on a disc of the Application materials.



- d) All Application forms will be available on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Applications will be required to adhere to the threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- e) **Application Workshop:** the Department will present an application workshop via webinar format on a date to be determined. The workshop recording will be available on the Department website. The workshop will address information such as the Application preparation and submission requirements, evaluation criteria, state and federal program information, and environmental requirements. The Application workshop schedule and registration will be posted on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)
- f) **Audit Requirements:** An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).
- g) Applications must be sent or delivered to:

**Texas Department of Housing and Community Affairs**  
**Attn: Neighborhood Stabilization Program**  
**221 East 11<sup>th</sup> Street**  
**Austin, TX 78701-2410**

or via the U.S. Postal Service to:

**Texas Department of Housing and Community Affairs**  
**Attn: Neighborhood Stabilization Program**  
**Post Office Box 13941**  
**Austin, TX 78711-3941**

***NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the administration of the Neighborhood Stabilization Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations and the NSP Technical Guide.*

# ORAL PRESENTATION

**OFFICE OF RECOVERY ACT ACCOUNTABILITY AND OVERSIGHT**

**BOARD REPORT ITEM  
January 20, 2011**

**Report Item**

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). This item provides an update on the status of the activity relating to each of the Recovery Act programs as well as a summary of the quarterly Section 1512 jobs reporting submitted for October 1, 2010 through December 31, 2010.

**Recovery Act Program Summary**

<b>Program</b>	<b>Activities</b>	<b>Program Status</b>	<b>Total Funding Expended to Date* Percent Expended</b>	<b>Served to Date**</b>	<b>1512 Reported Data Reported Program Expenditures^^ Jobs Created or Retained^</b>	<b>Timeline / Contract Period</b>
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>Contracts executed for 100% of funds, subrecipients drawing funds.</li> <li>Deobligation /reobligation rule in effect. Beginning deobligation proceedings January 2011.</li> </ul>	\$326,975,732 \$126,795,551 41.4%***	24,819 households	\$126,346,913 863.72 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010. (Achieved)</li> <li>Recipients will be required to expend all funds within a two year contract period (August 31, 2011).</li> <li>Federal funding expiration date is March 31, 2012.</li> </ul>
Homelessness Prevention and Rapid Re-Housing Program	Rental asst, housing search, credit repair, deposits, moving cost assistance, & case management. Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds.</li> <li>October 2010 letter from HUD indicating State on target for expending all funds.</li> </ul>	\$41,472,772 \$24,336,298 58.68%	32,182 persons	\$24,033,823 154.36 jobs	<ul style="list-style-type: none"> <li>HUD requires 60% of funds expended in 2 years; 100% in 3 years.</li> <li>Recipients will be required to expend all funds within a two year contract period (by August 21, 2011).</li> </ul>
Community Services Block Grant Program	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-related programs.	<ul style="list-style-type: none"> <li><b>COMPLETE</b></li> <li>CSBG ARRA funds expired Sept 30, 2010</li> </ul>	\$48,148,071 \$48,119,270 99.94%	99,325 persons	\$48,119,270 0.00 jobs	<ul style="list-style-type: none"> <li>Program complete.</li> </ul>

Program	Activities	Program Status	Total Funding Expended to Date*  Percent Expended	Served to Date**	1512 Reported Data  Reported Program Expenditures^^  Jobs Created or Retained^	Timeline / Contract Period
	Persons at or below 200% of poverty.					
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written Agreements executed for sixty-three (63) awards as of January 7, 2011.</li> <li>Fifty-three (53) loans have closed;</li> <li>Amount Awarded: \$147,875,984 (94%)</li> <li>Amount Closed: \$132,368,628 (82.9%)</li> </ul>	\$148,354,769 \$80,470,880.25  54.24%	7,259 households	132,368,628  168 jobs	<ul style="list-style-type: none"> <li>Commitment of 75% of funds required by February 17, 2010. (Achieved)</li> <li>State must expend 75% of funds by Feb 17, 2011.</li> <li>Owners must expend 100% of funds by February 17, 2012.</li> </ul>
Housing Tax Credit Exchange Program^^^	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements have been executed for 89 out of 89 awards as of December 6, 2010.</li> <li>Amount Awarded: \$594,091,929 (100%)</li> <li>Amount Closed: \$594,091,929 (100%)</li> </ul>	\$594,091,929 \$284,978,443  47.97%	8,015 households	9,351 jobs	<ul style="list-style-type: none"> <li>State must award all funds by December 31, 2010. (Achieved)</li> <li>Owners must incur 30% of costs by December 31, 2010. (Achieved)</li> <li>Unused funds to be returned by December 2011.</li> </ul>
Total			\$1,159,043,273 \$564,700,442  48.72%	131,507 persons  39,935 households	\$534,145,103  1512: 1,186.08 jobs this quarter Exchange: 9,351 jobs cumulatively	

\*This table includes updated expenditure data as of 1/13/10.

\*\*Total served data through 12/31/10 for HPRP and CSBG; 1/12/11 for WAP, 1/07/2011 for TCAP; and 12/10/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

\*\*\*Percentage excludes TDHCA admin and reflects expenditures including advances as a percentage of the total subrecipient award. The total expended to date as a percentage of the total funding is 38.78%

^Jobs created or retained between 10/1/10 and 12/31/10. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 12/31/10.

^^ Program expenditures reported for each program includes subrecipient and TDHCA administrative expenses. Information is updated quarterly. Data was submitted to Recovery.gov for quarter ending 12/31/2010.

^^^ The Housing Tax Credit Exchange Program is not subject to 1512 reporting requirements.

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Deny the appeal to waive the penalty reduction of the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates of #08184, Washington Hotel Lofts.

**WHEREAS**, an application for tax credits was submitted for Washington Hotel Lofts during the 2008 competitive cycle; and

**WHEREAS**, an award of tax credits was made to Washington Hotel Lofts in July of 2008; and

**WHEREAS**, the Principal of the Applicant, for the above referenced application, returned the full credit allocation of credits after the Carryover Allocation deadline for Application #08184 Washington Hotel Lofts; and

**WHEREAS**, pursuant to §49.14(m) of the 2011 Qualified Allocation Plan, “If an Applicant returns a full credit allocation after the Carryover Allocation deadline required for that allocation, the Department will impose a penalty on the score for any Competitive Housing Tax Credit Applications submitted by that Applicant or any Affiliate of that Applicant for any Application in an Application Round occurring concurrent to the return of credits or if no Application Round is pending the Round immediately following the return of credits. The penalty will be assessed in an amount that reduces the Applicant's final awarded score by an additional 20%”; therefore

**BE IT RESOLVED**, that the appeal of penalty points as a result of returning credits on Washington Hotel Lofts after the Carryover is hereby denied.

**Background**

Washington Hotel Lofts is a proposed 36-unit adaptive reuse of an existing 6-story hotel in downtown Greenville. The owner of Washington Hotel Lofts, Bill Scantland, was awarded a tax credit allocation in July of 2008. Conditions of the commitment notice were met and the owner met the requirements of Carryover in November 2008.

The owner was able to attract an investor for the tax credits subsequent to award; however, the investor was willing to invest in the proposed development only if the owner would apply for gap financing from the Department’s Tax Credit Assistance Program (TCAP). The owner submitted a TCAP application in July 2009. The owner also

proceeded with pursuing the historic regulatory approvals for the development around this time.

According to the Development Owner's appeal, delays in putting together the TCAP financing and obtaining the required historic approvals to the investor's satisfaction led to the owner having insufficient time to place the Development into service by the December 31, 2010, deadline required by the original tax credit award. While the owner submitted multiple requests and suggestions for relief to the Department, both parties were unable to find a workable solution. As a result, the owner provided notice to the Department on November 11, 2010, that the tax credits awarded to Washington Hotel Lofts in the amount of \$429,157 would be returned. While some of the issues surrounding this application were economic, once the decision was made to pursue TCAP funding successfully moving to closing and funding was chiefly within the Development Owner's control; therefore, penalty points should apply.

December 8, 2010

Mr. Mike Gerber  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701

Re: Washington Hotel Lofts in Greenville (the "**Development**")  
TDHCA LIHTC No. 08184; TDHCA TCAP No. 09737

Dear Mr. Gerber:

This is a letter of appeal, being submitted on behalf of the Owner (as hereinafter defined). The Owner appeals TDHCA's determination that the Owner and its affiliates will be subjected to a penalty in the 2011 tax credit application round in the amount of 20% of the overall application score.

### **Background**

Washington Hotel Lofts, LLC (the "**Owner**") proposed the adaptive reuse of the 6-story Washington Hotel, which was built in downtown Greenville in 1926. The renovation would have resulted in 36 units of affordable housing for this rural community. Because of the historic nature of the building, additional layers of governmental review and approval are necessary to the development process. However, the historic nature of the building also makes it eligible for historic tax credits to provide additional financing support. The Owner's development team has extensive experience with historic rehabilitation and adaptive reuse and is one of the only teams to be doing this kind of work in Texas in recent years.

The Owner applied for housing tax credits for the Development and received a housing tax credit award in July 2008. As you know, the market for financing with housing tax credits at that time was seriously troubled. Finding an investor for a relatively small project in a rural community with the added burden of historic renovation was virtually impossible. The Owner continued to pursue financing options until passage of the American Recovery and Reinvestment Act ("**ARRA**") in February 2009 changed the landscape.

With the passage of ARRA, the Owner was able to attract the interest of Bank of America, which was willing to buy the housing tax credits and the historic tax credits and to make the construction loan, provided that the Development would seek and obtain gap financing from the ARRA Tax Credit Assistance Program ("**TCAP**"). At the time, the Owner also could have chosen to return the housing tax credits under the ARRA Exchange Program ("**Exchange**") and receive a cash infusion from

TDHCA. However, the Owner knew that both TDHCA and Congress wanted to encourage developments that could find a purchaser for the tax credits to use that opportunity. Exchange was intended for developments that could not otherwise utilize the tax credits to achieve financing.

The opportunity for TCAP funding gave the Development new life, and the Owner commenced to put the pieces together as quickly as possible. As we all know, it took TDHCA some time to formulate its policies and procedures for the award of TCAP funds. The Owner submitted its application for TCAP funds as soon as it could in July 2009 and commenced the environmental review clearance process. Although both TDHCA and the Owner were diligent in the processes for application review, environmental clearance, and underwriting, the TCAP Written Agreement was not received until six months later, on January 27, 2010.

Once the Owner applied for the TCAP funds, it began to pursue the historic regulatory approvals, as well. A brief summary of this work is attached as Exhibit A. The Texas Historical Commission made comments on the rehabilitation plan, to which the Owner responded. Once the Texas Historical Commission was satisfied, the Owner was able to submit Parts 1 and 2 of its Historic Preservation Certification Application to the National Park Service on January 29, 2010, just two days after the TCAP Written Agreement was received. At the same time, the Texas Historical Commission proceeded with nominating the property for the National Register.

During this time that the Owner was pursuing the TCAP funds and the appropriate federal and state historic approvals, it requested that Bank of America pursue its own due diligence and prepare for a financing closing. Bank of America refused to do so until its concerns about TDHCA's forms of TCAP documents were addressed to the bank's satisfaction. Once TDHCA and Bank of America reached an accord on the forms of TCAP documents, the bank determined that it would not be in a position to proceed with the equity investment or the construction loan until: (1) the Parts 1 and 2 approval had been received from the National Park Service and (2) the Texas Historical Commission, acting through its State Board of Review, had nominated the property for the National Register. The approval for Parts 1 and 2 was achieved on March 15 and April 16, 2010, respectively, but the nomination for the National Register was not completed until May 15, 2010. (The State Board of Review only meets three times per year, and May 15 was the first time the Development could be considered.)

Ultimately, the delays in putting the TCAP financing together and obtaining the requisite historical approvals to Bank of America's satisfaction led to another problem in May 2010 – the Owner would have insufficient time to place the Development into service by the December 31, 2010 deadline imposed by the tax credit program. The Owner submitted multiple requests and suggestions for relief to TDHCA, but the parties were unable to find a workable solution. One option considered was endeavoring to return the credits and have them reissued as 2010 tax credits; our Firm advised that such strategy was likely to be unsuccessful, given past action by the TDHCA Board.

Also at this critical decision-making juncture, the American Jobs and Closing Tax Loopholes Act (the "**Extender Act**") was working its way through Congress. The Owner hoped for passage of the Extender Act, which would have allowed it to return the tax credits, obtain ARRA Exchange funds, and proceed with the Development. Advocates in Washington, D.C. continued to express hope for the Extender Act. However, after the November elections, with no Extender Act and no relief for the placement in service date, the Owner was left with no choice but to return the credits. This resulted in a letter, attached as Exhibit B, saying that the Owner and its affiliates will be penalized on any application for tax credits in 2011.



In hindsight, the choice made by the Owner to syndicate the tax credits to Bank of America and pursue TCAP instead of Exchange financing put the Development at a substantial timing disadvantage. Under federal law and state policy, recipients of TCAP funds were required to adhere to their original housing tax credit placement in service date; recipients of Exchange funds were not required to adhere to the original housing tax credit placement in service date and were given more time to complete the work. Had the Owner chosen to disregard its commitment from Bank of America to buy the tax credits and proceeded with Exchange, it would have been able to complete the financing and renovation and place the Development into service within the timeframes given.

### Request

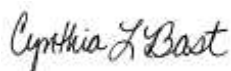
The Owner desires to reapply for tax credits for the Development in 2011. It remains committed to this effort and believes the financial markets have recovered sufficiently to make this project feasible. However, the points penalty is likely to make the application, and any other application for historic rehabilitation submitted by the Owner's affiliates, uncompetitive. Such a penalty is unjust, given the circumstances.

The Owner did everything possible to advance the Development. It could not have foreseen the delays in the implementation of the TCAP program or the issues that were raised by the Texas Historical Commission that delayed the historical approvals or the additional conditions that were imposed by Bank of America. The Owner was trying to honor the spirit of ARRA by giving a tax credit purchaser the opportunity to finance a deal and it put itself in a vulnerable position by doing so.

The Washington Hotel Lofts is an important and significant project. Few opportunities exist to save a historic landmark and put it to use in such a meaningful way. Few development teams have the experience and wherewithal to make this happen. Yet, without some assistance, the plans for the Washington Hotel Lofts will be lost.

We appreciate your consideration of this appeal to waive the penalty and would be happy to provide any additional information that may be needed for TDHCA to assist the Owner with its effort to bring this historic renovation to Greenville. If the Executive Director is unable to grant this appeal, we ask that it be heard at the Board's December meeting.

Sincerely,



Cynthia L. Bast

cc: Hollis Fitch  
Jim Sari  
Bill Scantland  
Tom Gouris  
Robbye Meyer  
Raquel Morales

## **Exhibit A**

### **Timeline of Historical Approval Activities**

- July 15, 2009           The Owner contacted the Texas Historical Commission for a 106 determination in connection with TDHCA environmental clearance requirements.
- August 18, 2009       The Texas Historical Commission replied that (1) the building is eligible for the National Register (NR) listing, (2) it was too early to make a 106 determination and (3) the agency had concerns regarding the then current renovation plans.
- September 24, 2009   The Owner met on site with Texas Historical Commission representatives in order to get first hand information of the condition of the existing historic fabric and further discuss the Commission's concerns.
- October 15, 2009      The Owner received Texas Historical Commission's recommendations for revisions that would address their concerns.
- November 2, 2009     The Owner contracted with MacRostie Historic Advisors to prepare the Part 1, Part 2 and NR nomination.
- November 13, 2009    The Owner submitted revised plans to the Texas Historical Commission, incorporating suggested modifications.
- November 18, 2009    The Texas Historical Commission forwarded the revised plans to the National Park Service (NPS) for input.
- December 28, 2009    The Owner received NPS preliminary review comments, which required additional plan revisions.
- January 8, 2010        Plan revisions were completed and forwarded to MacRostie to facilitate completion of Part 1 and Part 2.
- January 29, 2010      The Part 1 and Part 2 applications were completed and submitted to the Texas Historical Commission for review and approval.
- March 15, 2010        The Owner received NPS approval of Part 1.
- April 16, 2010         The Owner received NPS approval of Part 2.
- May 15, 2010          The Owner received the Texas Historical Commission's recommendation for NR listing.

**Exhibit B**

[attached]



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

Rick Perry  
GOVERNOR

Michael Gerber  
EXECUTIVE DIRECTOR

BOARD MEMBERS  
C. Kent Conine, *Chair*  
Gloria Ray, *Vice Chair*  
Leslie Bingham Escareño  
Tom H. Gann  
Lowell A. Keig  
Juan S. Muñoz, Ph.D.

November 30, 2010

Bill Scantland  
Landmark Development

RE: Washington Hotel Lofts #08184

Dear Mr. Scantland:

The Texas Department of Housing and Community Affairs accepts the return of your annual housing tax credit allocation in the amount of \$429,157 for the development referenced above.

In accordance with §50.16(k) of the 2008 Qualified Allocation Plan and Rules, there will be a penalty reduction of twenty percent assessed to the final score of any applications submitted in the 2011 application cycle from the applicant or affiliates of the above referenced development.

Should you have any questions feel free to contact me at (512)475-2213 or by email at [robbye.meyer@tdhca.state.tx.us](mailto:robbye.meyer@tdhca.state.tx.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Robbye G. Meyer".

Robbye G. Meyer  
Director of Multifamily Finance

MFF:rgm

C: file

10003

Champion Homes at  
Marina Landing

Appeal has been  
withdrawn

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Deny the appeal to waive the addition of penalty points to the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates the Applicant of #10178, Cypress Creek at Fayridge.

**WHEREAS**, an application for tax credits was submitted for Cypress Creek at Fayridge during the 2010 application cycle; and

**WHEREAS**, an award of tax credits was made in July of 2010 for the Cypress Creek at Fayridge; and

**WHEREAS**, the Carryover documentation for the Cypress Creek at Fayridge development was due to the Department on or before November 2, 2010; and

**WHEREAS**, the owner did not submit the documentation to the Department until November 3, 2010; and

**WHEREAS**, pursuant to §49.9(a)(28)(a) of the 2011 Qualified Allocation Plan, “Penalties will be imposed on an Application if the Applicant has requested an extension of the Carryover or 10% Test deadline, and did not meet the original submission deadline, relating to Developments receiving a Housing Tax Credit Commitment made in the Application Round preceding the current round. For each extension request made, unless the person approving the extension (the Board or the Executive Director, as applicable) makes an affirmative finding setting forth that the facts which gave rise to the need for the extension were beyond the reasonable control of the Applicant and could not have been reasonably anticipated, the Applicant will receive a 5 point deduction...”; therefore

**BE IT RESOLVED**, that the appeal of the penalty points associated with the Cypress Creek at Fayridge application is hereby denied.

**Background**

At the December 2010 Board meeting, the board approved an extension request for the Cypress Creek at Fayridge development for the late submission of the Carryover documentation. The owner failed to submit the documentation of the Carryover documentation on or before the deadline of November 2, 2010. It was not until the Department notified the owner of the non-receipt that the owner made the submission and requested an extension of the deadline.

Pursuant to the Qualified Allocation Plan and Rules, an Applicant is subject to five (5) penalty points in subsequent application rounds for not meeting the required deadlines for previous awards. These penalties have been in place for many years and serve the purpose of keeping the owners on schedule.

The owner has requested a reduction of the five (5) point penalty associated with the late Carryover submission to one (1) point. The Applicant provided no compelling reason that was beyond the control of the Applicant for waiving the penalty points for 2011 applications. Staff is not aware of any good cause that would support such a waiver. Staff recommends the Board enforce the full five (5) point penalty on any applications submitted by the Applicant or Affiliates of the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A).

11-03-10 10:51 RCVD

November 3, 2010

Ms. Robbye Meyer  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78711

RE: Cypress Creek at Fayridge Drive, TDHCA 10178, Carryover Agreement

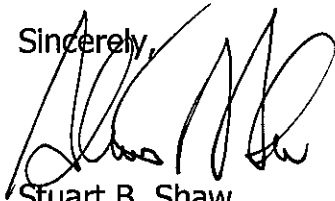
Dear Ms. Meyer,

I am writing you to request a short extension of the November 2, 2010 Carryover Allocation package submission date for Cypress Creek at Fayridge. The Carryover Allocation package was submitted to TDHCA staff on the morning of November 3, 2010.

The late delivery was an oversight by our team and we apologize for any inconvenience this has caused the TDHCA staff. We regret that this has happened and ask for your leniency. We respectfully request that the TDHCA approve an extension to the carryover date and that they consider a lesser penalty than the 5 points detailed in the QAP. Given the extremely short extension, we would suggest a one point penalty for the less than one day extension.

I have included the extension fee and respectfully request your approval and/or positive staff recommendation to the TDHCA board.

Sincerely,



Stuart B. Shaw  
Applicant's Representative and Manager of Its General Partner

Attachment: \$2,500.00 Extension Fee



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Deny the appeal to waive the addition of penalty points to the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates the Applicant of #10143, Oak Creek Townhomes.

**WHEREAS**, an application for tax credits was submitted for Oak Creek Townhomes during the 2010 application cycle; and

**WHEREAS**, an award of tax credits was made in July of 2010 for the Oak Creek Townhomes; and

**WHEREAS**, the Carryover documentation for the Oak Creek Townhomes development was due to the Department on or before November 2, 2010; and

**WHEREAS**, the owner attempted to submit the information timely and submitted the final documentation to the Department within twenty minutes of the deadline; therefore,

**BE IT RESOLVED**, that the appeal of the penalty points associated with the Oak Creek Townhomes application is hereby granted.

**Background**

At the December 2010 Board meeting, the Board approved an extension request for the Oak Creek Townhomes development for the late submission of the Carryover documentation. The owner failed to submit the documentation of the Carryover documentation on or before the deadline of November 2, 2010. The owner was attempting to submit the documentation but was unable to transmit all the information to the Department by the 5:00 p.m. deadline.

The owner has requested a waiver of the five (5) point penalty associated with the late Carryover submission. Staff has confirmed the attempts to submit the required documentation by the deadline. Staff recommends the Board waive the penalty because the owner was attempting to submit the information and the documentation was ultimately received on the day of the deadline.

**THF Marble Falls Redevelopment Ventures, LP**  
Oak Creek Townhomes  
TDHCA #10143

November 23, 2010

TDHCA  
Attention: Kent Bedell  
P. O. Box 13941  
221 East 11<sup>th</sup> Street  
Austin, Texas 78701-2410

Re: Extension Request for Carryover TDHCA #10143  
THF Marble Falls Redevelopment Ventures, LP

Dear Kent,

Please accept this letter as an official request by the owners referenced above to grant the extension of 19 minutes for the Carryover report due on November 2, 2010.

We had prepared, and then submitted, five Carryover's by the due date. We feel that all were submitted in a timely manner and, as soon as physically possible. TDHCA received Oak Creek Townhomes 19 minutes after five. Which technically was late but we would like to have you consider that out of the five Carryover's submitted, four of them were also being prepared for Exchange Applications at the same time. We had a timing difficulty due to some technical problems and physical problems.

We had waited for Mr. Mayfield to come and sign documents for the carryover and were working on trying to get the Ground lease closed in time to send it with the Carryover Documentation. We ended up postponing that until a later date, as everyone involved could not get together in a timely manner to accomplish that by five o'clock.

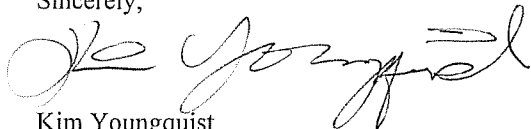
We began transmitting to FTP before five but had some transmission problems. By the time it all transferred it was after 5PM.

Please consider forgiveness of any point penalty pursuant to the QAP for the following year's competitive cycle, and the \$2500.00 fee. We feel that with the time restraints we had on several different projects, we were working on and, the transmission problems, it was almost impossible to get all five in by the cut off time of 5 PM.

Also, please let this letter serve as confirmation that the owner/developers for this property is on target to meet all minimum activity necessary to meet all other deadlines and the Placed in Service date of December 31, 2011.

Thank you in advance for your consideration in this matter.

Sincerely,



Kim Youngquist  
Development Coordinator  
Hamilton Valley Management, Inc.  
(512) 756-6809 Ext. 218

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Deny the appeal to waive the addition of penalty points to the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates the Applicant of #09314/09760, Taylor Farms.

**WHEREAS**, an application for tax credits was submitted for Taylor Farms during the 2009 competitive cycle; and

**WHEREAS**, an award of tax credits was made to Taylor Farms in 2009; and

**WHEREAS**, the 10% Test documentation for the Taylor Farms development was due to the Department on or before December 1, 2010; and

**WHEREAS**, the owner did not submit the documentation to the Department until December 10, 2010; and

**WHEREAS**, pursuant to §49.9(a)(28)(a) of the 2011 Qualified Allocation Plan, “Penalties will be imposed on an Application if the Applicant has requested an extension of the Carryover or 10% Test deadline, and did not meet the original submission deadline, relating to Developments receiving a Housing Tax Credit Commitment made in the Application Round preceding the current round. For each extension request made, unless the person approving the extension (the Board or the Executive Director, as applicable) makes an affirmative finding setting forth that the facts which gave rise to the need for the extension were beyond the reasonable control of the Applicant and could not have been reasonably anticipated, the Applicant will receive a 5 point deduction...”; therefore

**BE IT RESOLVED**, that the appeal of the penalty points associated with the Taylor Farms application is hereby denied.

**Background**

At the December 2010 Board meeting, the board approved an extension request for the Taylor Farms development for the late submission of the 10% Test and the subsequent commencement of substantial construction deadline. The owner failed to submit the documentation of the 10% Test on or before the deadline of December 1, 2010. It was not until the Department notified the owner of the non-receipt that the owner made the submission and requested an extension of the deadline.

Pursuant to the Qualified Allocation Plan and Rules, an Applicant is subject to five (5) penalty points in subsequent application rounds for not meeting the required deadlines for previous awards. These penalties have been in place for many years and serve the purpose of keeping the owners on schedule.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission. The Applicant provided no compelling reason that was beyond the control of the Applicant for waiving the penalty points for 2011 applications. Staff is not aware of any good cause that would support such a waiver. Staff recommends the Board enforce the five (5) point penalty on any applications submitted by the Applicant or Affiliates of the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A).



December 7, 2010

Mr. Kent Bedell  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Re: TDHCA Application #09314, Taylor Farms 10% Test and  
Commencement of Substantial Construction Deadline Extension Request

Dear Mr. Bedell,

Please accept this letter as a formal request on behalf of TF Development, LP to extend the 10% Test deadline for TDHCA Application #09314 from December 1, 2010 to December 31, 2010. The property met the 10% expenditure requirements at closing on November 10, 2010, which will be evidenced in the 10% Test documentation prepared and certified by Novogradac, LLP.

Additionally, TF Development, LP respectfully requests a six month extension for the provision of Evidence of Substantial Construction Commencement due to the delay in receipt of the FHA 221d4 Loan Commitment, which delayed closing. As a result construction began November 11, 2010. However, Substantial Construction activities are not anticipated to commence until March 31, 2011. Construction completion is scheduled for October 31, 2011, and will be completed prior to the December 31, 2011 Placed in Service Deadline.

The Developer does not foresee any obstacles preventing delivery of all 160 units by December 31, 2011 to receive 8609's for all Housing Tax Credits awarded. The Commencement of Substantial Construction Activities schedule is as follows:

- March 2011 – Completion of the Foundation of the Clubhouse
- February 2011 – All grading will be complete
- March 2011 – All right of way access to the property will be complete
- All infrastructure permits have been received
- Utilities are currently available at the site
- March 2011 - 10% of Construction Completion will be achieved

Due to the oversight in providing the 2009 10% Test documentation, and the inability to provide Evidence of Substantial Construction Commencement prior to the December 1, 2010 deadline as required, the Developer, Principals, Affiliates and Related Parties of TF

Development, LP respectfully request a waiver of any and all applicable penalties that may be assessed in accordance with Section 49.9(a)(28) of the 2011 Qualified Allocation Plan on future applications submitted to the Department. Please contact me at (972) 567-4630 should you have additional questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Terri L. Anderson".

Terri L. Anderson  
President, Anderson Capital, LLC

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Deny the appeal to waive the addition of penalty points to the final score of any applications submitted in the 2011 application cycle from the Applicant or Affiliates the Applicant of #09913, Villas on Raiford.

**WHEREAS**, an application for tax credits was submitted for Villas on Raiford during the 2007/2008 competitive cycle and ultimately the Exchange Program; and

**WHEREAS**, an award of tax credits was made in 2007 and 2008 and an award of Exchange funds was made to Villas on Raiford in 2009; and

**WHEREAS**, the 10% Test documentation for the Villas on Raiford development was due to the Department on or before December 1, 2010; and

**WHEREAS**, the owner did not submit the documentation to the Department until December 10, 2010; and

**WHEREAS**, pursuant to §49.9(a)(28)(a) of the 2011 Qualified Allocation Plan, “Penalties will be imposed on an Application if the Applicant has requested an extension of the Carryover or 10% Test deadline, and did not meet the original submission deadline, relating to Developments receiving a Housing Tax Credit Commitment made in the Application Round preceding the current round. For each extension request made, unless the person approving the extension (the Board or the Executive Director, as applicable) makes an affirmative finding setting forth that the facts which gave rise to the need for the extension were beyond the reasonable control of the Applicant and could not have been reasonably anticipated, the Applicant will receive a 5 point deduction...”; therefore

**BE IT RESOLVED**, that the appeal of the penalty points associated with the Villas on Raiford application is hereby denied.

**Background**

At the December 2010 Board meeting, the board approved an extension request for the Villas on Raiford development for the late submission of the 10% Test and the subsequent commencement of substantial construction deadline. The owner failed to submit the documentation of the 10% Test on or before the deadline of December 1,

2010. It was not until the Department notified the owner of the non-receipt that the owner made the submission and requested an extension of the deadline.

Pursuant to the Qualified Allocation Plan and Rules, an Applicant is subject to five (5) penalty points in subsequent application rounds for not meeting the required deadlines for previous awards. These penalties have been in place for many years and serve the purpose of keeping the owners on schedule.

The owner has requested a waiver of the five (5) point penalty associated with the late 10% Test submission. The Applicant provided no compelling reason that was beyond the control of the Applicant for waiving the penalty points for 2011 applications. Staff is not aware of any good cause that would support such a waiver. Staff recommends the Board enforce the five (5) point penalty on any applications submitted by the Applicant or Affiliates of the Applicant under the 2011 application cycle pursuant to §49.9(a)(28)(A).





December 7, 2010

Mr. Kent Bedell  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Re: TDHCA Application #09913, Villas on Raiford 10% Test and  
Commencement of Substantial Construction Deadline Extension Request

Dear Mr. Bedell,

Please accept this letter as a formal request on behalf of Villas on Raiford Carrollton Senior Housing, LLC to extend the 10% Test deadline for TDHCA Application #09913 from December 1, 2010 to December 15, 2010. The property has met the expenditure requirements, as evidenced by prior submission of the 10% Test for the 2007 and 2008 Housing Tax Credit award. In addition, 30% of Total Development Costs have been accrued exceeding the Tax Credit Exchange 30% Test. Novogradac, LLP has been engaged to provide independent certification of the 10% and 30% Tests prior to December 15, 2010 in compliance with the 30% Test deadline.

Additionally, Villas on Raiford Carrollton Senior Housing, LLC requests herein a six month extension to provide Evidence of Commencement of Substantial Construction Activities due to the delay in receipt of the HUD Commitment for the FHA 221d4 loan, which closed on September 1, 2010. Construction began September 2, 2010 immediately after closing. As of November 27, 2010, construction was 9.94% complete.

However, commencement of all substantial construction activities is not anticipated until January 2011 due to extensive site work allowing no more than a 2% PVR as required by FHA. The Developer does not foresee any obstacles. Construction is ahead of schedule and completion is anticipated in November 2011, exceeding the December 31, 2011 Placed in Service Deadline for all 180 units. The status of all Substantial Construction Activities is as follows:

- The Foundation of the Clubhouse is complete.
- By January 2011, all grading will be complete.
- By December 2011, all right of way access to the property will be complete.
- All infrastructure permits have been received.
- Utilities are currently available at the site.
- 10% Construction Completion has been achieved.

Due to the oversight in providing the 2009 10% Test, and the inability to provide all Evidence of Substantial Construction Commencement prior to the December 1, 2010 deadline as required, the Developer, Principals, Affiliates and Related Parties for Villas on Raiford Carrollton Senior Housing, LLC respectfully request a waiver of any and all penalties associated with Section 49.9(a)(28) of the 2011 Qualified Allocation Plan for any future application submissions.

Please contact me at (972) 567-4630 should you have additional questions or concerns.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Terri L. Anderson".

Terri L. Anderson  
President, Anderson Capital, LLC

None at this time

None at this time

None at this time

La Hacienda Apartments

Withdrawn

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request from Alexander Place Apartments in Baytown, Texas to classify the proposed development as Reconstruction.

**WHEREAS**, 10 TAC Chapter 1, §1.1 defines Reconstruction as the demolition of one or more residential buildings in an Existing Residential Development and the re-construction of an equal number of Units or less on the Development Site; and

**WHEREAS**, the Pre-Application for Alexander Place Apartments in Baytown, Texas proposes to demolish a total of 58 existing public housing units and re-construct 36 units on a separate site located approximately five miles away from the existing public housing site; and

**WHEREAS**, the construction of new units on a currently undeveloped site is not Reconstruction on the new site but is an allowable activity if considered as New Construction; therefore

**BE IT RESOLVED**, that the request for classification of Alexander Place Apartments in Baytown, Texas as Reconstruction is hereby denied.

**Background**

On January 7, 2011 the Department received a Pre-Application for Alexander Apartments located in Baytown, Texas. According to the Applicant's disclosure the Baytown Housing Authority ("BHA") currently owns and operates a 58-unit public housing community known as Archia Courts Apartments. The apartments are located in close proximity to the ExxonMobil refinery and chemical plant. The Housing Authority has entered into an agreement with ExxonMobil whereby ExxonMobil will purchase the existing public housing community, demolish all 58 units and use the land as part of a greenbelt around ExxonMobil's complex.

As part of the sale with ExxonMobil, BHA will net \$2.3M in proceeds. The housing authority plans to implement a two-phase mixed housing plan, including the 36 units proposed for Alexander Place Apartments and a separate 22 unit development to be located on BHA owned property. According to the Applicant, the majority of the proceeds received from the sale will be used to reconstruct the 22 unit development on the BHA owned property.

The Applicant's disclosure requests that the Board classify the proposed Alexander Place Apartments as a Reconstruction activity for purposes of securing the points associated

with such classification. Additionally the request is being made to mitigate the fact that the City of Baytown has imposed a moratorium on the development of additional LIHTC units in Baytown. A copy of Resolution No. 1913 whereby the City Council opposes additional low income housing tax credit units associated with the Housing Tax Credit program of TDHCA was passed on February 14, 2008.

The city's moratorium on additional low income housing tax credit units does not appear to be a justification for the claim that the subject development should be defined as Reconstruction. The key questions on defining Reconstruction in this matter are (1) can one claim Reconstruction for a site that has not had construction in the first place, and (2) can a development be considered Reconstruction if it occurs on multiple sites in multiple unrelated developments. Staff believes if the answer to either of these questions is no then the Applicant's request should be denied.

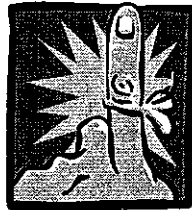
Given the facts presented, the Department believes that the Development would most appropriately be classified as a New Construction activity and therefore recommends the Board deny the request.



**Applicant Disclosure**

**Development Name:** Alexander Place Apartments      **City:** Baytown

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



Place narrative behind this form

TAB 7 – APPLICANT DISCLOSURE – Alexander Place Apartments, Baytown, Texas

Alexander Place Apartments, LP, a to be formed entity that will include a subsidiary of the Baytown Housing Authority and the herein described Applicant, is seeking a waiver and clarification of the construction type of the proposed Development from the Department to allow it to apply for housing tax credits as a Reconstruction development rather than New Construction.

The Baytown Housing Authority currently owns and operates Archia Courts Apartments, a 58-unit public housing apartment community located at 2509 North Clyde and Airhart Drive in Baytown, Texas (the “Existing Residential Development”). The apartments were originally constructed in 1955 and have become obsolete. The Housing Authority is seeking to replace all of the obsolete units and reconstruct a portion of the units on a site located at 2401 N. Alexander Drive, Baytown, Texas 77520, the proposed Development Site in this Application (the “Development Site”). The Housing Authority is not reconstructing the units on the Existing Residential Development site because of concerns about the health and safety of the tenants due to its proximity to the ExxonMobil refinery and chemical plant which has expanded over the years into one of ExxonMobil’s largest complexes. Please see the attached Aerial Photo of Archia Courts and the adjacent Baytown ExxonMobil complex. The concerns about the safety of the tenants intensified after of the 2005 BP explosion resulting in ExxonMobil’s agreement to purchase the Existing Residential Development site from the Housing Authority, demolish the units and use the land as part of a greenbelt around their complex.

Even if the Housing Authority was not otherwise intending to move forward with the above described relocation plan, the Applicant would not be allowed to apply for housing tax credits to reconstruct the units on the Existing Residential Development site because it would be considered an ineligible development under §49.4(c)(11)(C) of the 2011 QAP which disallows “Developments located adjacent to or within 300 feet of heavy industrial uses such as manufacturing plants, refinery blast zones, etc.”

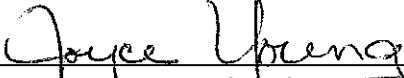
Based on staff’s interpretation of the definition of Reconstruction in 2011 QAP, since the Applicant is not reconstructing the replacement housing on the Existing Residential Development site it would be required to submit its application and seek only those points applicable to a New Construction activity. However, as has been stated above, the Applicant cannot reconstruct the units on the Existing Residential Development site and therefore should not be deprived of the selection points associated with Reconstruction.

It is also important to note that the housing being considered is replacement housing of less than the number of units currently located on the Existing Residential Development site and is not intended to add to the number of LIHTC units in Baytown, Texas. New Construction implies an addition of units to the affordable housing inventory. Additionally, the City of Baytown has a moratorium on the development of additional LIHTC units associated with the TDHCA. Please see attached Resolution No. 1913. However, the City has agreed to allow the Housing Authority to move forward with their application so long as the tax credit units replace existing public housing on a one-for-one basis. If the application moves through the program as New Construction it implies a housing activity that is not being proposed and is not in keeping with the requirements of the City of Baytown potentially putting at risk support of the proposed Development by the City and the Applicant’s ability to obtain a 2X-resolution from the City as is required in the 2011 QAP because the City of Baytown has twice the state average of units per capita supported by housing tax credits.

Finally it is unclear whether the proposed Development should not already be considered Reconstruction. The Consolidated Definitions in the 2011 HTC Procedures Manual defines Reconstruction as “the demolition of one or more residential buildings in an Existing Residential Development and the re-construction of an equal number of Units or less on the Development Site”. A Development Site is defined as “The area, or if scattered site, areas, on which the Development is proposed to be located.” There is no requirement in either of these definitions to reconstruct the replacement housing on the Existing Residential Development site.

We respectfully request the Department’s consideration of the unique circumstances associated with the Applicant’s proposed Development and recognition that the current definition of Reconstruction does not require that the replacement units be reconstructed on the Existing Residential Development site, and grant to the Applicant a waiver to apply for housing tax credits as a Reconstruction development type in keeping with the housing activity being proposed by the Housing Authority and requirements of the City of Baytown.

Sincerely,

  
\_\_\_\_\_  
Joyce Young, Executive Director of  
the Baytown Housing Authority, for the Applicant



RESOLUTION NO. 1913

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, OPPOSING ANY ADDITIONAL LOW INCOME HOUSING TAX CREDIT UNITS ASSOCIATED WITH THE LOW INCOME HOUSING TAX CREDIT PROGRAM OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

\*\*\*\*\*

WHEREAS, in order for an applicant to receive low income housing tax credits ("LIHTC") from the Texas Department of Housing and Community Affairs to assist development of new rental units, the City of Baytown must approve the same; and

WHEREAS, the need for this approval is due to the fact that the City has more than twice the State average of units per capita supported by LIHTC or private activity bonds; and

WHEREAS, currently, the City of Baytown has even more than the State's reported 2.49 units per capita, for the reported number of units excludes the Wyndham Park Senior Housing Development, a 184-unit senior development located on Rollingbrook Drive; and

WHEREAS, the City has been notified of two new LIHTC unit developments seeking financing under the 2008 Qualified Allocation Plan and Rules; and

WHEREAS, if those are approved, it would further increase the City's LIHTC units per capita due to the addition of 119 one- and/or two-bedroom and 24 four-bedroom low-income units; and

WHEREAS, the 2005 Consolidated Plan specifies the need for additional sound affordable housing and states that the City will work with LIHTC applicants to facilitate the State's approval of affordable housing; and

WHEREAS, in the past three years, the City has adhered to that commitment by supporting five new LIHTC developments and adding 792 more affordable rental units; and

WHEREAS, within such time period, there has also been an increase of 262 Section 8 Rental Vouchers and otherwise subsidized units within the City; and

WHEREAS, including Wyndham Park, there are 1,530 LIHTC units approved in the Baytown area; and

WHEREAS, the City is also home to 209 public housing units, 727 Section 8 Rental Vouchers, and at least 273 otherwise subsidized rental units; and

WHEREAS, out of the 8,531 available licensed multi-family rental units, approximately 30% of the units are geared to accommodate low-income persons, which number and percentage

do not include the number of units that are market rate developments, but advertise below-market rents or units subsidized by other sources; and

WHEREAS, with pending LIHTC units and potential upgrading of existing rental complexes through the multi-family ordinance, the City Council desires to take action to express its opposition to new LIHTC unit developments; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the recitals stated hereinabove are true and correct and are hereby adopted as the findings of the City Council of the City of Baytown.

Section 2: That the City Council of the City of Baytown, Texas, hereby opposes any additional low income housing tax credit units associated with the Texas Department of Housing and Community Affairs' Low Income Housing Tax Credit Program.

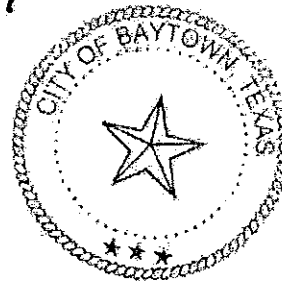
Section 3: This resolution shall take effect immediately from and after its passage by the City Council of the City of Baytown, Texas.

INTRODUCED, READ and PASSED, by the affirmative vote of the City Council of the City of Baytown this the 14<sup>th</sup> day of February, 2008.


  
STEPHEN H. DONCARLOS, Mayor

ATTEST:

  
KELVIN KNAUF, Interim City Clerk



APPROVED AS TO FORM:

  
IGNACIO RAMIREZ, SR., City Attorney

**From:** Joyce Young [mailto:joycey@baytownhousing.org]  
**Sent:** Thursday, January 13, 2011 11:47 AM  
**To:** raquel.morales@tdhca.state.tx.us  
**Cc:** Donna@MarqueConsultants.com  
**Subject:** 11193 Alexander Place Apts; Waiver Request Response

Ms. Morales:

In response to your questions regarding our waiver request, first attached please find a letter from ExxonMobil that speaks to the agreement between ExxonMobil and the Baytown Housing Authority (BHA) regarding the sale of the Archia Courts property and ExxonMobil's intentions to demolish the units and use the land as greenbelt space in accordance with their Greenbelt plan. HUD recently approved our relocation and disposition plan as we are now moving forward to finalize the terms of the purchase and sale agreement with ExxonMobil. Please see attached disposition approval letter from HUD.

With respect to the use of the proceeds from the sale of the Archia Courts property and requirements to reconstruct the 58 units, please be advised that while HUD no longer requires one for one replacement for the public housing program, the need to replace the Archia Courts units and provide affordable housing remains. In order for BHA to continue to provide quality affordable housing throughout the City of Baytown, the replacement housing program must proceed. Currently, BHA owns 150 public housing units and manages 775 vouchers. Failure to replace Archia Courts would result in the loss of public housing units and jeopardize future sources of funding to the housing authority. BHA's inability to replace Archia Courts would result in the loss of approximately 33% of its Capital Fund allocation from HUD and the loss of approximately 33% of the Operating Fund allocation from HUD. This 33% funding loss will result in the housing authority's inability to continue to operate and jeopardize 150 public housing units and 775 vouchers currently available to serve low income households in the City of Baytown in this tough economic environment.

BHA will net 2.3 million from the sale of Archia Courts. The housing authority is planning to implement a two phase mixed finance housing plan, including 36 units at Alexander Place and 22 replacement units on the housing authority owned site, with the majority of the proceeds being used to reconstruct the 22 replacement units on the housing authority owned site not made a part of this application. Without low income housing tax credits, the housing authority will be unable to restore funding as a result of the loss of the units resulting from the sale of Archia Courts to ExxonMobil.

We hope that we have adequately responded to your questions and respectfully ask for your approval of our waiver request in order to permit BHA to proceed with the Archia Courts redevelopment program.

Joyce Young

Executive Director

805 West Nazro Street

Baytown, Texas 77520

(281) 427-6686 X11



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

OCT 06 2010

Ms. Joyce Young
Executive Director
Baytown Housing Authority
805 W. Nazro Street
Baytown, TX 77520

Dear Ms. Young:

The Department has reviewed the Baytown Housing Authority's (BHA) application for the disposition of 27 dwelling buildings containing 58 dwelling units, 1 non-dwelling building and 9 acres of underlying land at Dezavala & Archia Courts, TX012000001. The Special Applications Center (SAC) received this application on June 10, 2009, via the Public and Indian Housing Information Center (PIC), Application DDA0003642. Supplemental information was received through September 15, 2010.

The application is reviewed under streamlined processing that is only applicable when all of the land requested for removal in the disposition application (whether the request is for full or partial disposition of the land in the development(s)) will be used to allow for mixed-finance housing that will be developed in accordance with 24 CFR 941 Subpart F.

Based on Section 18 of the United States Housing Act of 1937, the new streamlined flexibility afforded by the revisions to 24 CFR 970 published in the Federal Register on October 24, 2006, the information you have provided to us in your application, your certification to HUD dated June 3, 2009 ("Certification"), and your assertion that the units and/or land subject to this disposition request and identified below will be developed as mixed-finance housing pursuant to 24 CFR 941 Subpart F, I am pleased to approve your request for disposition as described in your application and identified below:

Table with 4 columns: Property Name, Units, Income Type, and Rate. Rows include: Total Units to be Redeveloped (58), Rental (58 ACC, 0 Non-ACC, 0 Market Rate), Acquiring Entity (Exxon Mobil), Method of Sale (Negotiated Sale at more than FMV), Sale Price (\$2,300,000), and Purpose (Development of Mixed-Finance Housing developed pursuant to 24 CFR 941 Subpart F).



Approval of your application is based on the Department's understanding of your submission, as outlined in the enclosed memorandum from me to the HUD Houston Program Center.

The BHA will realize net proceeds from this disposition. According to the Office of the Chief Financial Officer, there is no debt for the subject property. In the application, the BHA proposes to use the proceeds of \$2,300,000, for relocation/counseling costs for affected families and to defray the cost of constructing ACC units plus related costs. We have determined that use of proceeds meets the requirements of the statute and is also approved.

<b>Development Number</b>	<b>Development Name</b>	<b>Description of Work</b>	<b>Estimated Cost</b>
TX012000001	Dezavala & Archia	Relocation/Counseling	\$116,000
TX012000001	Dezavala & Archia	Environmental Studies	\$15,000
TX012000001	Dezavala & Archia	Disposition Application Fees	\$7,500
<b>TX012000001</b>	Dezavala & Archia	Construction Expenses	\$1,351,500
<b>Total</b>			\$1,490,000

Notwithstanding this approval, the BHA shall not proceed to enter into any disposition agreement without HUD's approval of the documents for a mixed-finance transaction as set forth in 24 CFR 941 Subpart F. All of the documents related to Subpart F must be reviewed and approved by HUD prior to any formal disposition action. Please work with the HUD Houston Program Center to facilitate the completion of the process.

The disposition of these units will affect the BHA's operating subsidy eligibility significantly. Please contact the HUD financial analyst in the HUD Houston Program Center for additional information on how to apply these criteria to the BHA's particular case.

Please make sure that your annual formula characteristics report is updated properly to reflect these changes.

If you are interested in applying for housing choice vouchers for relocation in connection with the units approved for disposition, you must submit an application to the HUD Houston Program Center Office of Public Housing for review and approval in response to HUD's current Notice outlining the application procedures.

Your agency is required to inform the HUD Houston Program Center of the status of the project (i.e., delays, actual disposition or other problems). When the disposition has been achieved, please submit a report to the HUD Houston Program Center confirming the action and certifying compliance with all applicable requirements. Files must be maintained which are sufficient for audit purposes and must be made available upon request.

If applicable, the HUD Houston Program Center Office of Public Housing will release the parcel from the Declaration of Trust, as applicable, and update PIC to reflect the approved action as appropriate.

The BHA must enter the "actual" dates of disposition and acres directly into the Inventory Removals sub-module in PIC, for the Houston Program Center approval so that the status of the units in PIC is changed to "removed from inventory."

The HUD Houston Program Center has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition and the BHA's proposed mixed-finance transaction pursuant to 24 CFR 941 Subpart F.

As you start the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD Houston Program Center stands ready to assist you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ainars Rodins".

Ainars Rodins, P.E.  
Director

Enclosure



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center  
77 W. Jackson Blvd., Room 2401  
Chicago, Illinois 60604-3507  
Phone: (312) 353-6236 Fax: (312) 886-6413

OCT 06 2010

MEMORANDUM FOR: Daniel Rodriguez, Director, Program Center Coordinator, Office of Public Housing, 6 EPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

A handwritten signature in cursive script, appearing to read "Ainars Rodins".

SUBJECT: Approval for the Baytown Housing Authority's (BHA) Request for the Disposition of 27 Dwelling Buildings Containing 58 Dwelling Units, 1 Non-Dwelling Building and 9 Underlying Acres at TX012000001

The SAC received this application on June 10, 2009, via the Public and Indian Housing Information Center (PIC), DDA0003642. Supplemental information was received through September 15, 2010. The Environmental Assessment was completed by the City of Baytown on August 3, 2010, in accordance with 24 CFR, Part 58, and was signed off by the Houston HUB on August 12, 2010.

According to a certification to HUD from the Baytown Housing Authority (BHA) dated June 3, 2009 ("Certification"), the disposition of this property will enable the property to be developed pursuant to a mixed-finance development method under 24 CFR 941 Subpart F. Accordingly, the SAC has reviewed this application based on the requirements of Section 18 of the United States Housing Act of 1937 ("Section 18") and the new streamlined flexibility afforded by the revisions to 24 CFR 970 published in the Federal Register on October 24, 2006.

Under Section 18(a)(3) of the United States Housing Act of 1937 (Act), in order for a demolition or disposition application to be approved, a Public Housing Agency (PHA) must certify that it has "specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this disposition. According to the Certification, the BHA described this removal action in its PHA Plan that was submitted to your office.

### **Description of Development/s**

The BHA proposes the disposition of 27 dwelling buildings containing 58 dwelling units, 1 non-dwelling building and 9 acres of underlying land at Dezavala & Archia Courts, TX012000001. Details of the proposed disposition are as follows:

<b>Dezavala &amp; Archia Courts, TX012000001</b>						
DOFA: 01/25/1962						
Bedroom Size	0-BR	1-BR	2-BR	3-BR	4+	Total
Existing Units	50	8	40	48	4	150
<b>Proposed Units</b>	<b>8</b>	<b>4</b>	<b>22</b>	<b>24</b>	<b>0</b>	<b>58</b>
Existing Land				23.87 Acres		
<b>Proposed Land</b>				<b>9 Acres</b>		
Number of Dwelling Buildings Existing						76
<b>Number of Dwelling Buildings Proposed</b>						<b>27</b>
Number of Non-Dwelling Buildings Existing						3
<b>Number of Non-Dwelling Buildings Proposed</b>						<b>1</b>
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments						150
Building or Unit Numbers Per PIC: 2512 Clyde Dr., 405 Clyde Dr., 407 Clyde Dr., 406 Clyde Dr., 407 Clyde Dr., 408 Clyde Dr., 409 Clyde Dr., 412 Clyde Dr., 413 Clyde Dr., 415 Clyde Dr., 414 Clyde Dr., 416 Clyde Dr., 417 Clyde Dr., 419 Clyde Dr., 418 Clyde Dr., 420 Clyde Dr., 421 Clyde Dr., 423 Clyde Dr., 422 Clyde Dr., 424 Clyde Dr., 425 Clyde Dr., 427 Clyde Dr., 426 Clyde Dr., 428 Clyde Dr., 429 Clyde Dr., 431 Clyde Dr., 430 Clyde Dr., 432 Clyde Dr., 433 Clyde Dr., 435 Clyde Dr., 434 Clyde Dr., 436 Clyde Dr., 437 Clyde Dr., 439 Clyde Dr., 438 Clyde Dr., 440 Clyde Dr., 441 Clyde Dr., 443 Clyde Dr., 2500 Clyde Dr., 2502 Clyde dr., 2503 Clyde Dr., 2504 Clyde Dr., 2506 Clyde dr., 2505 Clyde Dr., 2507 Clyde Dr., 2508 Clyde Dr., 2510 Clyde Dr., 2509 Clyde Dr., 2511 Clyde Dr., 316 Clyde Dr., 318 Clyde Dr., 320 Clyde Dr., 322 Clyde Dr., 442 Clyde Dr., 444 Clyde Dr., 446 Clyde Dr., 448 Clyde Dr.						

### **History of the Development/s**

The BHA has received no previous demolition or disposition activity for Dezavala & Archia Courts, TX012000001.

### **Reason for Action (Justification)**

The BHA proposed the disposition based on Section 18(a)(2) of the Act, which requires the BHA to certify that the retention of the property is not in the best interests of the residents or the BHA because the BHA has determined the disposition to be appropriate for reasons that are consistent with the goals of the BHA and the PHA Plan and that are otherwise consistent with the Act. Specifically, the disposition will allow the PHA to cause the property to be developed with a mixed-finance development method, pursuant to 24 CFR 941 Subpart F. We concur with the BHA's determination that the disposition is in the best interests of the residents or the BHA because it will further affordable and/or public housing in the community.

### **Net Proceeds/Existence of Debt**

The BHA will realize net proceeds from this disposition. According to the HUD Chief Financial Officer, there is no debt for Dezavala and Archia Courts, TX012000001. In the application, the BHA proposes to use the proceeds of sale for relocation expenses including

counseling/advisory services for all affected residents. In addition, net proceeds will be used to cover the construction of ACC units and related expenses. We have determined that use of proceeds, as indicated below, meets the requirements of the statute.

<b>Development Number</b>	<b>Development Name</b>	<b>Description of Work</b>	<b>Estimated Cost</b>
TX012000001	Dezavala & Archia	Relocation/Counseling	\$116,000
TX012000001	Dezavala & Archia	Environmental Studies	\$15,000
TX012000001	Dezavala & Archia	Disposition Application Fees	\$7,500
<b>TX012000001</b>	Dezavala & Archia	Construction Expenses	\$2,161,500
<b>Total</b>			\$2,300,000

### **Relocation**

According to the Certification from the BHA, all residents were relocated with methods in compliance with Section 18 of the Act and all other applicable relocation requirements and the BHA will not complete the disposition of any occupied building until all residents residing in the units affected by this proposed disposition are actually relocated.

### **Resident Consultation**

According to the Certification from the BHA, the disposition of the property was developed in consultation with the residents of the affected development by this disposition and each resident council, if any, of the project(s), and the resident advisory board of the BHA affected by this disposition and the BHA maintains this documentation on file at its primary business office.

### **Offer of Sale to the Residents**

Pursuant to Section 18 of the Act, because the BHA seeks the disposition of the property to allow for a mixed-finance housing development pursuant to 24 CFR 941 Subpart F, the Department has determined that the BHA is not required to offer the property for sale to the resident organization, at the development affected by the disposition.

### **Board Resolution**

According to the Certification, the BHA's Board of Commissioners approved the submission of the application for disposition of the property proposed for disposition and maintains a record of this resolution at its central office.

### Mayor/Local Government Consultation

According to the Certification, the disposition application was developed in consultation with all local government officials, and the BHA maintains written records of this consultation on file at its central office.

### Replacement Housing

Section 18 does not require one-for-one replacement housing. Therefore, the BHA is not required to provide for replacement housing, and the Department is under no obligation to fund replacement housing.

### Other Requirements

Pursuant to 24 CFR 970.21(c)(2), if federal financial assistance under the Community Development Block Grant (CDBG) program, 42 U.S.C. 5301 et seq. (including loan guarantees under section 108 of the Housing and Community Development Act of 1974, 42 U.S.C. 5308 et seq.); the Urban Development Action Grant (UDAG) program, 42 U.S.C. 5318 et seq.; or HOME program, 42 U.S.C. 12701 et seq. is used in connection with the disposition of public housing, the project is subject to section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(d) (as amended), including the relocation payment provisions and the anti-displacement provisions, which require that comparable replacement dwellings be provided within the community for the same number of occupants as could have been housed in the occupied and vacant, occupiable low- and moderate-income units disposed or converted to another use. The BHA was advised to contact the Houston Program Center for additional guidance.

### Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act. Based upon our review, the requirements of Section 18 of the Act have been met, the proposed disposition, as described in the application and identified below, for the purpose of developing Mixed-Finance Housing pursuant to 24 CFR 941 Subpart F, is hereby approved. The method of sale is a negotiated sale at more than FMV. The use of proceeds for relocation/counseling and the construction of ACC units are also approved.

<b>Dezavala &amp; Archia Courts</b>			
27 Dwelling Buildings, 58 Dwelling Units, 1 Non-Dwelling Buildings, Acres: 9			
Total Units to be Redeveloped	Less than 80% of Area Median Income		
58	ACC	Non-ACC	Market Rate
Rental	58	0	0
Acquiring Entity (Rental Units)	Exxon Mobil		
Method of Sale	Negotiated Sale at more than FMV		
Sale Price	\$2,300,000		
Purpose	Development of Mixed-Finance Housing developed pursuant to 24 CFR 941 Subpart F		

Notwithstanding this approval, the BHA shall not proceed to enter into any disposition agreement without HUD's approval of the documents for a mixed-finance transaction as set forth in 24 CFR 941 Subpart F. All of the documents related to Subpart F must be reviewed and approved by HUD prior to any formal disposition action. The Houston Program Center must work with the Office of Public Housing Investments at HUD Headquarters to facilitate the completion of the process.

### **Operating Subsidy**

The disposition of these units will affect the BHA's operating subsidy eligibility significantly. The BHA was advised to contact the HUD financial analyst in the Houston Program Center for additional information on how to apply these criteria to the BHA's particular case.

The Houston Program Center must insure that the BHA's annual formula characteristics report is updated properly to reflect these changes.

### **Housing Choice Vouchers**

If you are interested in applying for housing choice vouchers for relocation in connection with the units approved for demolition, you must submit an application to the HUD Houston Program Center

If the BHA is interested in applying for housing choice vouchers for relocation in connection with the units approved for disposition, it will need to submit an application to the Houston Program Center Office of Public Housing for review and approval in response to HUD's current Notice outlining the application procedures.

### **PIC and Monitoring**

The BHA must enter the "actual" dates of disposition and acres directly into the Inventory Removals sub-module in PIC, for the Houston Program Center approval so that the status of the units in PIC is changed to "removed from inventory."

It is the Houston Program Center's responsibility to monitor this activity based on its latest risk assessment. The Houston Program Center must verify that the actual data is being entered by the BHA as the actions occur. Since the BHA expects to generate net proceeds of \$2,300,000, it is the Houston Program Center's responsibility to verify the funds were used as approved, and the HA's records are adequately documented to support this assertion.

Upon completion of disposition, the Houston Program Center has the responsibility to release the parcel from the Declaration of Trust, as applicable, and update PIC to reflect the approved action as appropriate.

**Exxon Mobil Corporation**  
Global Real Estate  
P.O. Box 4004  
Baytown, Texas 77522-4004

**ExxonMobil**

January 11, 2011

**Re: Archia Courts Housing Community  
Baytown, Texas**

Joyce Young, Executive Director  
Baytown Housing Authority  
805 W. Nazro Street  
Baytown, TX 77520

Dear Ms. Young:

This letter is in response to your recent request for information regarding the proximity of Archia Courts to the ExxonMobil Baytown Complex ("Complex").

By way of background, the ExxonMobil Greenbelt Program was created in 1992 to establish sufficient distances between the Complex and other urban land, mainly residential property, and to respond to changing community attitudes and perspectives about being and living in close proximity to its Complex. The Program follows stringent guidelines treating all landowners equitably and participation in the Program is strictly voluntary. The Program has been extremely successful with over 600 residential properties being purchased and a success rate of over 92%.

As you know, Archia Courts is located directly across Airhart Drive from the Complex. A visual measurement shows the western property boundary line of Archia Courts to be approximately 250 feet from the nearest ExxonMobil tank. Due to its location, ExxonMobil and The City of Baytown agreed that it made the most sense to relocate the housing development to a different location. ExxonMobil's intentions are to purchase the Archia Courts property in accordance with a purchase and sale agreement to be agreed upon between the parties, demolish the existing structures and restore the property as greenbelt space in accordance with its Greenbelt Program.

I trust this letter aids you in obtaining the required governmental approvals to sell Archia Courts.

Sincerely,



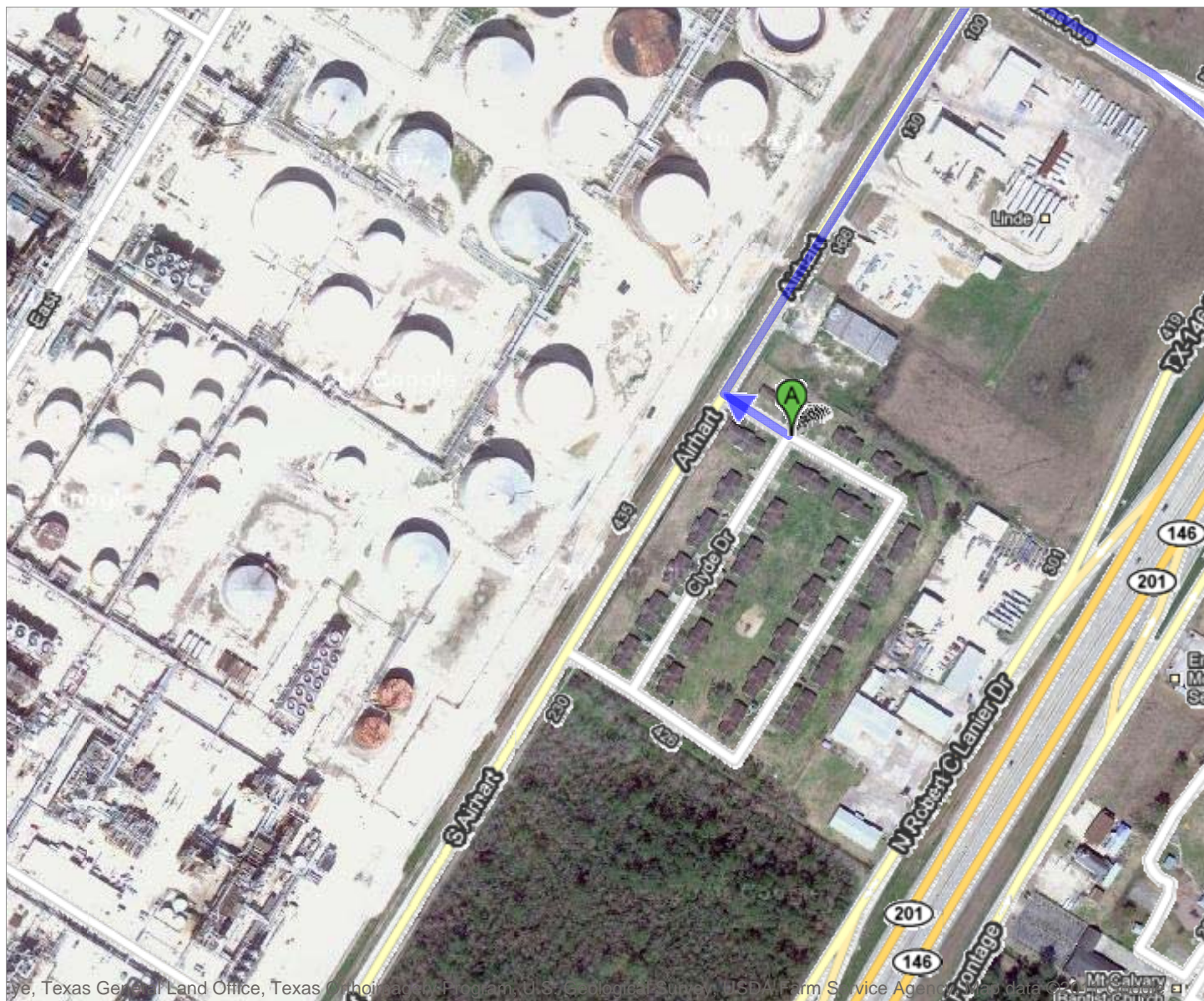
Marcelo Marroquin, III  
Contractor working for ExxonMobil Global Services Company

c: David C. Askin  
Neely S. Nelson





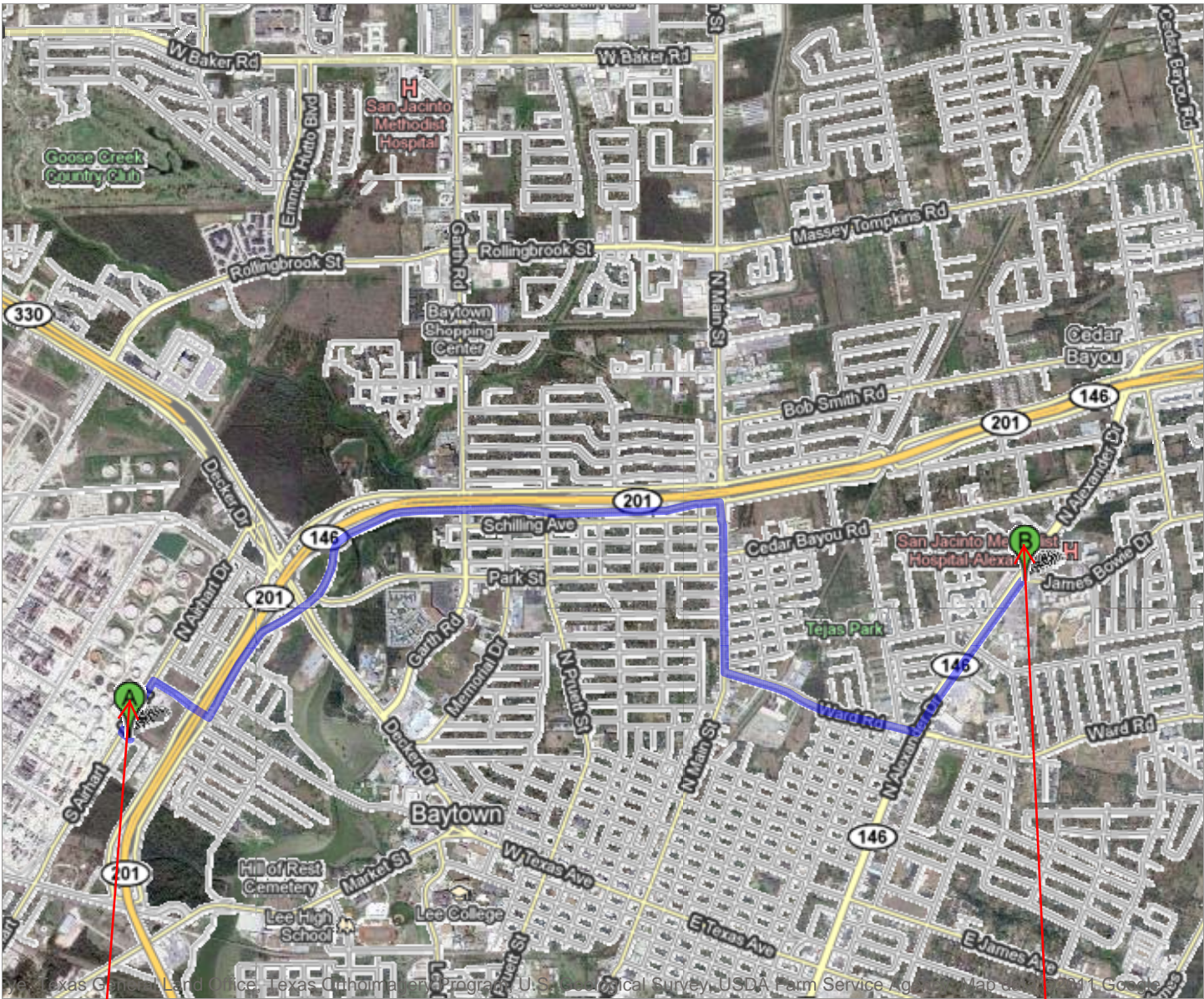
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To see all the details that are visible on the screen, use the "Print" link next to the map.



current location of existing 58-unit public housing community

relocation of 58-unit public housing/housing tax credit units

Enclave on S. Main Apartments

Withdrawn

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of §§49.4(c)(8) and 49.8(5)(B) of the 2011 Qualified Allocation Plan for the Pre-Application for E2 Flats.

**WHEREAS**, §49.4(c)(8) renders any Development located in an Urban Area involving New Construction, Reconstruction or Adaptive Reuse of Units ineligible if the Development proposes percentages of bedroom sizes that do not meet the restrictions in the QAP; and

**WHEREAS**, §49.8(5)(B) requires a certification that the Development will meet the minimum threshold for size of Units; and

**WHEREAS**, the Pre-Application for E2 Flats in Dallas, Texas proposes a plan whereby the percentages of bedroom sizes and size of Units do not meet the Department's requirements; and

**WHEREAS**, the Applicant has not provided any compelling reason for why the proposed Development cannot meet the Department's restrictions and requirements nor a good cause for waiving such requirements; therefore

**BE IT RESOLVED**, that the request for waiver from the required bedroom percentages outlined in §49.4(c)(8) and the minimum unit sizes outlined in §49.8(5)(B) of the 2011 Qualified Allocation Plan for E2 Flats is hereby denied.

**Background**

On January 7, 2011 the Department received a Pre-Application for E2 Flats located in Dallas, Texas. The Applicant is proposing an Adaptive Reuse of an existing, vacant 1958 office building. The Applicant's disclosure statement indicates that due to the long and narrow shape of the building, the unit configuration and corridor placement will be challenging. As a result the Applicant's proposal is to include smaller than average unit sizes as well as a unit mix geared towards efficiency and one bedroom units. Specifically, E2 Flats is proposing 187 total units, with 153 efficiency or one-bedroom units (82%) and 34 two-bedroom units.

While the Applicant's disclosure statement makes reference to multifamily projects in downtown Dallas that have previously not met projections primarily because unit mixes have been geared towards large and spacious two- and three-bedroom units, the Applicant provided no justification that the market cannot support more two- and three-bedroom units. In fact, the Department has identified one other tax credit development that was originally awarded during the 2006 competitive cycle (City Walk at Akard) and

proposed an adaptive reuse of an existing 1958 office building that was able to meet both the required bedroom percentage restrictions and minimum unit sizes. The Applicant also did not include justification that engineering of the proposed development does not allow re-configuration within the existing structure in order to meet the Department's requirements.

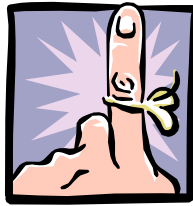
Staff recommends the Board deny the waiver.

**Tab 7**

**Applicant Disclosure**

**Development Name:** E2 Flats **City:** Dallas

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



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# 211 N. Ervay

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## *Waiver Request*

The E2 Flats is requesting a waiver of the unit mix and unit size requirements.

Multifamily projects in downtown Dallas where the projects have not met projections have primarily done so as a result of gearing their units towards the large and spacious, and their unit mixes more towards the two and three bedroom units. Those buildings were constrained by large square or odd shaped footprints, and as such had to do so to garner use of the building's interiors.

Given these factors, to better address the market, the proposed unit mix for 211 N. Ervay calls for more efficiency and one bedroom units than that typically prescribed by usual thresholds and with smaller than average square footages. The E2 Flats is an existing vacant 1958 office building on a lot that is approximately 50 ft wide and 200 ft long, so the building is long and narrow. Due to the shape, we anticipate that unit configuration and corridor placement will be challenging, resulting in unit sizes that are potentially smaller than average.

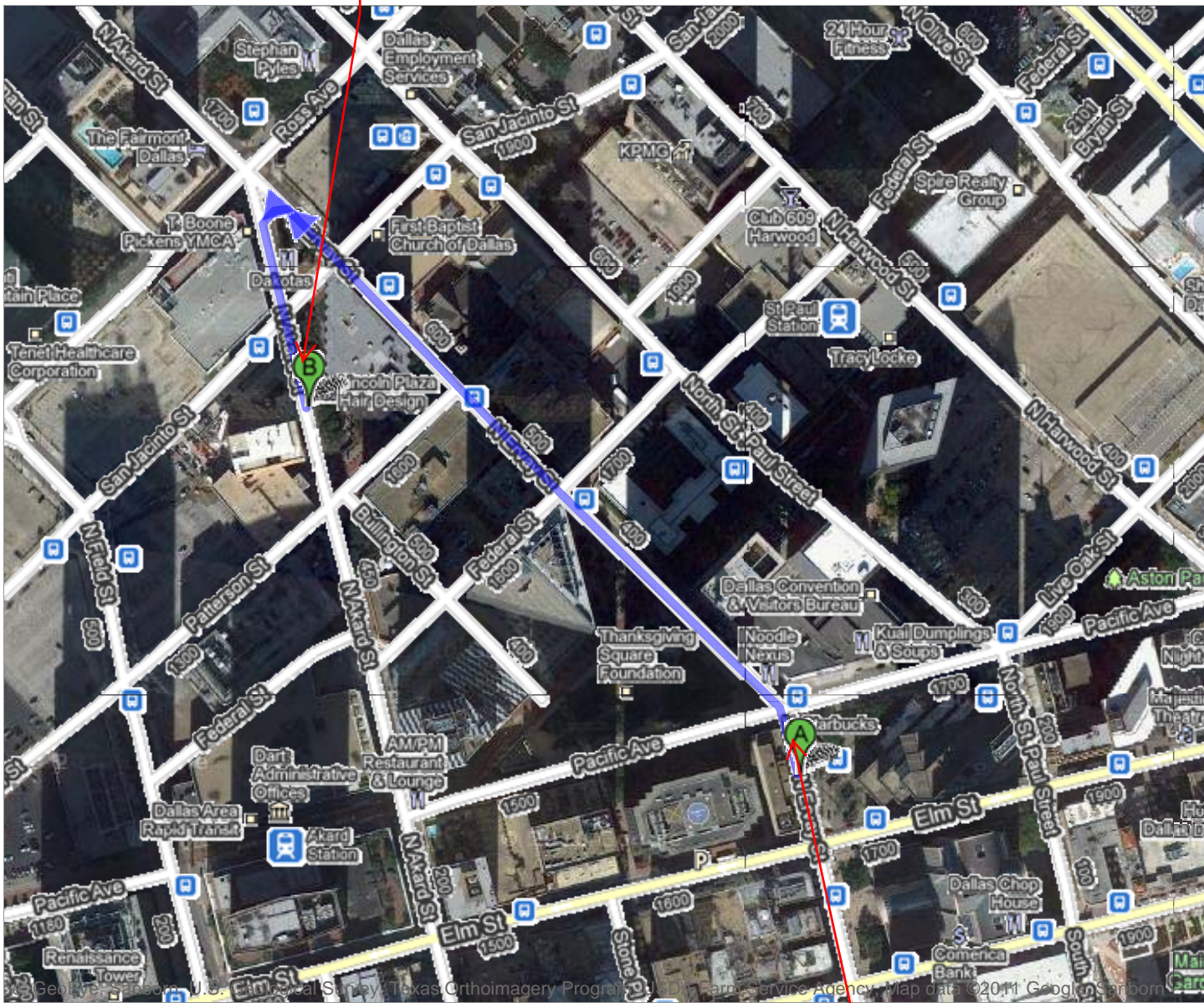
Recent downtown applications have been awarded with a unit mix geared towards efficiency and one bedroom units. The Atmos Lofts application, HTC #10284, is a similar downtown Dallas adaptive reuse development that was awarded in 2010. This 107-unit property was underwritten with 93 efficiency or one bedroom units, comprising 87% of all units in the development. The E2 Flats development is proposing 187 units with 153 efficiency or one bedroom units and 34 two bedroom units, making the percentage of efficiency or one bedroom units 82% of all units in the development.





To see all the details that are visible on the screen, use the "Print" link next to the map.

City Walk at Akard



E2 Flats



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of §49.4(c)(8) of the 2011 Qualified Allocation Plan for the Pre-Application for Preston Lofts.

**WHEREAS**, §49.4(c)(8) renders any Development located in an Urban Area involving New Construction, Reconstruction or Adaptive Reuse of Units ineligible if the Development proposes percentages of bedrooms sizes that do not meet the restrictions in the QAP; and

**WHEREAS**, the Pre-Application for Preston Lofts in Houston, Texas proposes a plan that includes more than 30% of the total Units as one-bedroom Units; and

**WHEREAS**, the Pre-Application also requests that the Development qualify for 10 points associated with costs less than \$95 per square foot because the square footage does not consider common area; and

**WHEREAS**, the common area referred to in this request does not indicate that it is anything more than that required for circulation and public exhibit of the proposed resident's art work; and

**WHEREAS**, the Applicant has not provided any compelling reason for why the proposed Development cannot meet the restrictions regarding percentages of bedroom sizes nor a good cause for waiving such requirement; therefore

**BE IT RESOLVED**, that the request for waiver from the required bedroom percentages outlined in §49.4(c)(8) of the 2011 Qualified Allocation Plan for Preston Lofts is hereby denied.

**Background**

On January 7, 2011 the Department received a Pre-Application for Preston Lofts located in Houston, Texas. The Applicant is proposing an Adaptive Reuse of an existing historic, five-story warehouse and converting this structure into affordable housing for tenants who are involved in artistic and literary activities. The current plan is to have 51 one-bedroom units (98%) and 1 two-bedroom unit at Preston Lofts.

The Applicant's disclosure statement indicates that buildings used for Adaptive Reuse developments are not conducive to multiple bedroom units. The Applicant, however, provided no justification that the market in which the proposed development will be located cannot support more two- and three-bedroom units. The Department has identified one other tax credit development in the area that has a unit mix which

conforms to the Department's bedroom size percentage requirements along with an SRO that was funded with tax credits. The Applicant also did not include justification that engineering of the proposed development does not allow re-configuration within the existing structure in order to meet the Department's requirements.

The Applicant has also requested that the development be eligible for points for meeting the statutory cost per square foot limit when it does not. The basis for this request is the high common area associated with the design of the development. While a drawing of this common area was not provided, it was referred to as circulation and exhibitor space which is typical for a building with interior corridors. Such common area is not considered unit space or unit like space.

Staff recommends the Board deny the waiver.

**Applicant Disclosure**

**Development Name:** Preston Lofts **City:** Houston

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



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TAB 7 – APPLICANT DISCLOSURE – WAIVER REQUEST NO. 1 – PERCENTAGE OF BEDROOM SIZES

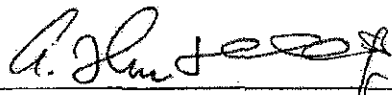
The Applicant is hereby seeking a waiver of §49.4(c)(8) of the 2011 QAP to allow for the percentage of bedroom sizes being proposed in this Application.

The Applicant is proposing an Adaptive Reuse of an historic warehouse building located at 2017 Preston Avenue, Houston, Texas, 77002, and conversion of the building into affordable housing for tenants who are involved in artistic and literary activities, an allowable affordable housing preference under the general public use requirement of Treasury Regulation 1.42-9, as modified by the housing and Economic Recovery Act of 2008. Because the artist lofts are live-work space, they typically are more appealing to singles and couples and are not conducive to families. Furthermore, the location of an affordable building attractive to artists (like Preston) often are in areas in transition from former industrial use to new mixed uses including residential. These locations, while attractive to artists and singles and young couples, are not typically attractive to families at the early stages of transition. Affordable housing serves the artists well and the artists serve the community well by pioneering in areas in need of re-development that will subsequently become more attractive to families.

Furthermore, Historic or older buildings appropriate for Adaptive Reuse frequently drive the design layout because of existing floor plates, window locations, structural columns, etc. Often, as is the case with Preston, these buildings are not conducive to multiple bedroom units. In our case, the total gross area of the building is 55,200 square feet. The current plan is for 51 one bedroom units and 1 two bedroom unit and as such the proposed Development would be considered ineligible under §49.4(c)(8) of the 2011 QAP which disallows most types of projects where more than 30% of the total units are one-bedroom units. Given these circumstances, the provisions of §49.4(c)(8) effectively prohibits Adaptive Reuse conversions to loft-type housing a popular type of renovation and one that is very much supported in connection with our plans for the abandoned warehouse space in downtown Houston proposed in our application.

Applicant respectfully requests that the Department grant to Applicant an exemption from the required bedroom percentages outlined in §49.4(c)(8) of the 2011 QAP and allow our Adaptive Reuse loft project to proceed with the percentage of units proposed in our application.

Respectfully,



Tom Leonhard, for the Applicant

1/6/11

TAB 7 – APPLICANT DISCLOSURE – WAIVER REQUEST 2 - Preston Lofts, Houston, Texas

The Applicant is seeking a waiver of the method for determining the cost per square foot of Net Rentable Area (NRA) for purposes of qualifying for points under §49.9(a)(8) of the 2011 QAP which is a 10-point selection item.

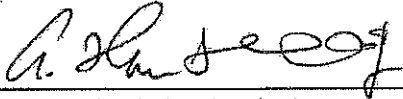
The Applicant is proposing an Adaptive Reuse of an abandoned 5-story historic building located at 2017 Preston Avenue, near Minute Maid Park in downtown Houston, Texas. Due to multiple factors that are unique to Adaptive Reuse projects including conforming the improvements with appropriately sized units that comply with the size requirements of the QAP to the building's footprint, the cost to convert Preston Lofts, the proposed Development, from a warehouse into a residential community is significantly more expensive than the \$85.00 per square foot of NRA allowed in order to qualify for the 10-points. The costs are compounded when historic preservation to National Park Service Standards is involved as is the case with Preston Lofts. The cost burden for this type of conversion is not recognized under §49.9(a)(8) of the 2011 QAP which appears to provide costs adjustments based on the proposed housing instead of calculating the cost on the construction activity involved.

The cost per square foot limitations under §49.9(a)(8) puts an Adaptive Reuse development and in particular those preserving historic buildings at a disadvantage when applying for Low Income Housing Tax Credits (LIHTC) if it cannot secure these vital 10-points in a competitive program. This building is five (5) stories with an elevator and two (2) exit stairs and, like an elderly or SRO project, it is comprised almost exclusively of one bedroom units due to the artists' preference and the limitations of the existing window and structural bays accommodating one unit per one or two bays. As a result, it has a high density of kitchens and bathrooms, the most expensive areas of the renovation. **We therefore, respectfully request that the Department allow Preston Lofts to qualify for the 10-points associated with this selection item if its hard costs are limited to \$95.00 per square foot after adjustment as set forth herein.** Because this is a historic rehabilitation project, we must work within the existing envelope of the building and cannot build garden style, walk-up units with minimal to no common space. As a result, we have additional common space (corridors, exit stairs etc.) – much like elevator served SRO and elderly projects. Furthermore, because of the special nature of this project for artists, we provide extraordinary common space built out for work and exhibition space that otherwise could be rentable space. **Because of the common space required for circulation and the public exhibit space that is essential to this product type, we respectfully request that the cost per sf be calculated using the gross square footage of the historic building.**

Additionally, the Applicant will be seeking Historic Tax Credits (HTC) in addition to LIHTC. The HTC program recognizes that historic preservation projects such as Preston Lofts will cost more than comparable new construction and adaptive reuse projects that do not meet the Secretary of Interior's Standards for Historic Rehabilitation as is required to claim HTC. In recognition of the increased costs associated with complying with the Standards and claiming HTC, the Federal Internal Revenue Code allows for a 20% historic tax credit on qualified expenditures. **For purposes of calculating costs under 49.9(a)(8), we respectfully request that the hard costs be adjusted downward by netting out the HTC amount so that the costs are comparable to new construction or non-historic adaptive reuse.**

We appreciate the Department's recognition of the unique costs associated with an Adaptive Reuse conversion of a historic building and the efforts being made by the Applicant to leverage other funding sources by seeking HTC and grant our waivers that will allow Preston Lofts to compete for the vital points associated with §49.9(a)(8).

Respectfully,

A handwritten signature in black ink, appearing to read "Tom Leonhard", written over a horizontal line.

Tom Leonhard, for the Applicant

1/6/11



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**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of §49.4(c)(8) of the 2011 Qualified Allocation Plan for the Pre-Application for The Works at Pleasant Valley located in Austin, Texas.

**WHEREAS**, §49.4(c)(8) renders any Development located in an Urban Area involving New Construction, Reconstruction or Adaptive Reuse of Units ineligible if the Development proposes percentages of bedrooms sizes that do not meet the restrictions in the QAP; and

**WHEREAS**, the Pre-Application for The Works at Pleasant Valley in Austin, Texas proposes a New Construction development composed of more than 30% of the total Units as efficiency and/or one-bedroom Units; and

**WHEREAS**, the Applicant has not provided any compelling reason for why the proposed Development cannot meet the restrictions regarding percentages of bedroom sizes; therefore

**BE IT RESOLVED**, that the request for waiver from the required bedroom percentages outlined in §49.4(c)(8) of the 2011 Qualified Allocation Plan for The Works at Pleasant Valley is hereby denied.

**Background**

On January 7, 2011 the Department received a Pre-Application for The Works at Pleasant Valley located in Austin, Texas. The Applicant is proposing a 36 unit, New Construction development targeted towards the general population but more specifically, targeted towards young adults exiting foster care, young single/parents exiting abuse or abandonment, and homeless individuals or families in a transitional and/or Supportive Housing model. 18 of the total units (50%) will consist of efficiency and one-bedroom units, therefore exceeding the Department's restrictions on the number of one-bedroom and/or efficiency units in a development.

The Applicant's disclosure statement also indicates that the four-bedroom proposed in the development are intended to be operated as Single Room Occupancy. The Applicant further indicates that the four-bedroom units include distinguishable bedrooms and therefore, each bedroom within the four-bedroom unit will serve as an SRO unit for one person. While the Applicant believes this is consistent with the Department's definition of an SRO the Department disagrees and believes this is an extreme reading of the rule.

The Applicant provided no extenuating circumstances or compelling reasons for why this development is not able to meet the bedroom percentage requirements, especially since it

is New Construction. Furthermore, while the description of the proposed development appears to indicate that it will serve in more of a Supportive Housing or Single Room Occupancy capacity, the development was not described as such in the pre-application. Finally, labeling each bedroom in a four-bedroom unit as a separate SRO unit as implied would be inconsistent with the definition of an SRO unit.

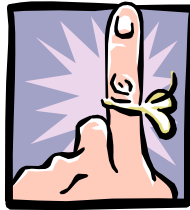
Staff recommends the Board deny the waiver.

**Tab 7**

**Applicant Disclosure**

**Development Name:** The Works at Pleasant Valley      **City:** Austin

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



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Tab 7

## Applicant Disclosure

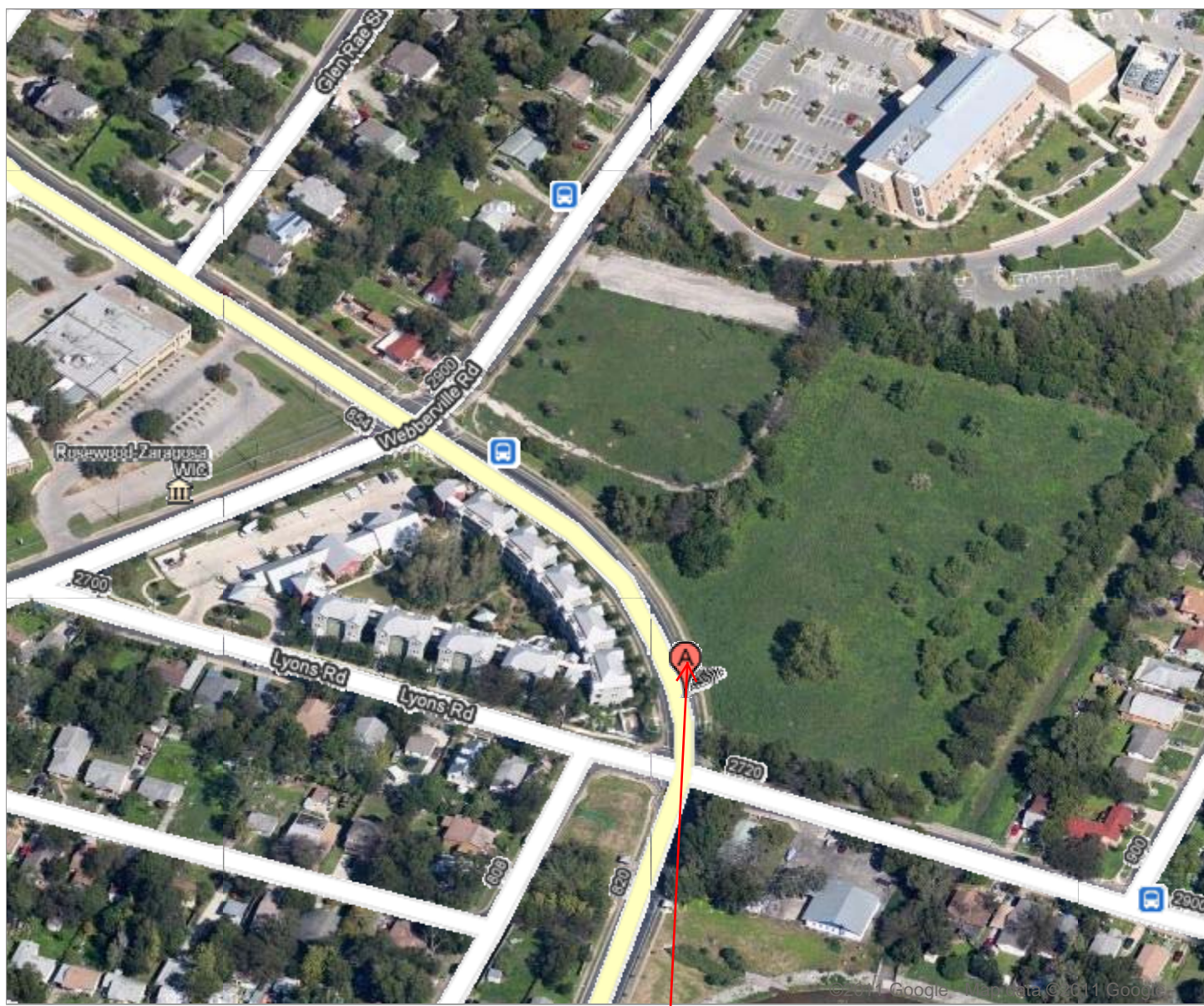
The LifeWorks Affordable Housing Corporation anticipates that the following issues with the project that it is proposing – The Works at Pleasant Valley – will need to be clarified or resolved:

1) Regarding 49.4 (c) Ineligible Developments (8) (A)– Design of the Development

The design that is proposed for this project consists of 9 efficiency units, 9 - 1 bedroom units, 15 – 2 bedroom units and 4 – 4 bedroom units. This is more than the allowed 30% one bedroom or efficiency units. However this project is intended to house young adults existing foster care, young single parents exiting abuse or abandonment, and homeless individuals or families in a transitional and/or Supportive Housing Model. Additionally the 4, 4 bedroom units are intended to be operated as Single Room Occupancy units although since there are distinguishable bedrooms within a 4 bedroom apartment this does match the definition of an SRO in the Housing Tax Credit Procedures Manual.



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The Works at Pleasant Valley



**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Brae Estates located in Fort Worth, Texas.

**WHEREAS**, the Board approved a change to the 2011 Qualified Allocation Plan in §49.8(4) with respect to the Experience Certification requirements to include the provision that tax credit specific development experience be required of an Applicant interested in pursuing an application for new tax credits; and

**WHEREAS**, the Applicant did not provide tax credit experience but provided identical documentation that was utilized to obtain an Experience Certificate in 2010 for the Department's consideration for a 2011 Experience Certificate; and

**WHEREAS**, The Applicant has not provided any compelling reason for why the tax credit specific development experience should be waived; therefore

**BE IT RESOLVED**, that the request for waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Brae Estates is hereby denied.

**Background**

On January 7, 2011 the Department received a pre-application for Brae Estates located in Fort Worth, Texas. The Applicant submitted an application for the same development in 2010 but did not score high enough to receive an award at that time. The pre-application proposes a 68-unit, single-family, New Construction development.

The documentation provided by the Applicant reflects previous experience in the development and construction of 58 single-family homes dating back to 1993-1995. While the documentation demonstrates that the Applicant has experience in developing at least 80% as many units as is being proposed in their 2011 application, it does not demonstrate that the Applicant has successfully completed a tax credit development. Moreover, the experience that has been documented is more than 15 years old and, while requested by staff, the Applicant was not able to provide documentation of more recent experience as of the date of this publication.

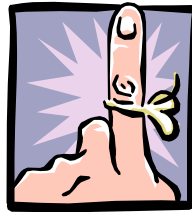
Staff recommends the Board deny the waiver.

**Tab 7**

**Applicant Disclosure**

**Development Name:** Brae Estates **City:** Fort Worth

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



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## **Experience Certificate Qualification**

MR Development has successfully developed hundreds of single family subdivisions as evidenced by successful qualification for a 2010 Experience Certificate to participate in last years Housing Tax Credit Allocation Round. As such, I respectfully request a waiver of the requirement for tax credit specific development experience in order to receive a 2011 Experience Certificate. The criteria as it relates to Single Family construction is very limiting as few like-kind communities have been developed within the state.

Single Family construction of a rental community offers a great opportunity for Low to Moderate Income families, and I would greatly appreciate your consideration and approval of my request.





**2010 EXPERIENCE CERTIFICATION FOR MULTIFAMILY RENTAL APPLICATIONS**

Multifamily Finance Production Division

Per §50.9(g), Experience Pre-Certification Procedures, of the 2010 QAP:

(g) **Experience Pre-Certification Procedures.** No later than 14 days prior to the close of the Application Acceptance Period for Competitive Housing Tax Credit Applications, an Applicant must submit the documents required in this subsection to obtain the required pre-certification. For Applications submitted for Tax-Exempt Bond Applications or Applications not applying for Competitive Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) all of the documents in this section must be submitted with the Application. Upon receipt of the evidence required under this section, a certification from the Department will be provided to the Applicant for inclusion in its Application(s). Evidence must show that one of the Principals of the Development Owner, General Partner, or the Developer have a record of successfully constructing or developing residential units (single family or multifamily) in the capacity of owner, General Partner or Developer. The individual requesting the certification must have completed the same type construction as the Application for tax credits is proposing (i.e. multifamily dwellings or single family residences). If rehabilitation experience is being claimed to qualify for an Application involving New Construction, then the rehabilitation must have been substantial and involved at least \$15,000 of direct hard cost per unit.

(1) The term "successfully" is defined as acting in a capacity as the owner, General Partner, or Developer of:

(A) At least 200 residential units or, if less than 200 residential units, 80% of the total number of Units the Applicant is applying to build (e.g. you must have 40 units successfully built to apply for 50 Units); or

(B) At least 36 residential units if the Development is a Rural Development; or

(C) At least 25 residential units if the Development has 36 or fewer total Units.

(2) One or more of the following documents must be submitted: American Institute of Architects (AIA) Document A111 - Standard Form of Agreement Between Owner & Contractor, AIA Document G704 - Certificate of Substantial Completion, AIA Document G702 - Application and Certificate for Payment, Certificate of Occupancy, IRS Form 8609, HUD Form 9822, development agreements, partnership agreements, or other documentation satisfactory to the Department verifying that the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals have the required experience. If submitting the IRS Form 8609, only one form per Development is required. The evidence must clearly indicate:

(A) That the Development has been completed (i.e. Development Agreements, Partnership Agreements, etc. must be accompanied by certificates of completion);

(B) That the names on the forms and agreements tie back to the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals as listed in the Application; and

(C) The number of units completed or substantially completed.

Submit this form and the required supporting documentation described below to the Department no later than February 15, 2010. Once the documents are reviewed and the experience is approved, the Certificate will be mailed to the below address. The certificate must be included in the Application. If you have any questions, please contact Valentin DeLeon at [valentin.deleon@tdhca.state.tx.us](mailto:valentin.deleon@tdhca.state.tx.us) or (512) 475-3061

**\* All applicants will need to apply for experience for the 2010 cycle. Previous certifications will not be accepted.**

Person to be named on the Certificate: Kim McCaslin Schlieker

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Contact Name: Kim McCaslin Schlieker Phone # 817-477-0797 Fax # 817-473-4686

---

Address: 100 North Mitchell Road

---

City: Mansfield St: TX ZIP: 76063

---

E-mail Address: kim@mrdevelopment.net

---

I am providing evidence of the following prior experience: (please check one)

at least 200 residential units or, if less than 200 residential units, 80 percent of the total number of units the applicant is applying to build

at least 36 residential units if the Development is a Rural Development

at least 25 residential units if the Development has 36 or fewer total units

**AFFIDAVIT**

Before me, the undersigned authority, personally appeared Vicki Collins, who, being by me duly sworn, deposed as follows:

My name is Vicki Collins, I am of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

I am the custodian of the records of City of Mansfield. Attached hereto are 2 pages of records from Development Services Department. These said 2 pages of records are kept by Development Services Department in the regular course of business, and it was the regular course of business, and it was the regular course of business of Development Services Department for an employee or representative of City of Mansfield, with knowledge of the act, event, condition, opinion, or diagnosis, recorded to make the record or to transmit information thereof to be included in such record; and the record made at or near the time or reasonably soon thereafter. The records attached hereto are the originals or exact duplicates of the original.

Vicki Collins  
Affiant

SWORN TO AND SUBSCRIBED before me on the 9th day of February, 2010.



Susana Marin  
Notary Public, State of Texas

Notary's printed name  
Susana Marin

My commission expires: June 19, 2013



Department of the Treasury  
Internal Revenue Service  
AUSTIN, TX 73301

Date of this notice:  
Taxpayer Identifying Number: [REDACTED]  
Form: 941 Tax Period:



TWIN CITIES EQUIPMENT INC  
PO. BOX 14185  
FORT WORTH TX 76117-0185

742-2440 LOCAL DALLAS  
263-9229 LOCAL FT. WORTH  
1-800-829-1040 OTHER TX

NEW SIMPLIFIED FEDERAL TAX DEPOSIT RULES

FEDERAL EMPLOYMENT TA

NEW REGULATIONS HAVE SIMPLIFIED THE FEDERAL TAX DEPOSIT SYSTEM, SO THAT EMPLOYERS WILL BE ABLE TO DETERMINE THE DEPOSIT METHOD TO USE FOR THE UPCOMING CALENDAR YEAR. THIS IS DONE BY LOOKING BACK AT THE FEDERAL EMPLOYMENT TAXES REPORTED DURING A FOUR-QUARTER LOOKBACK PERIOD. THE REGULATIONS ARE EFFECTIVE JANUARY 1, 1993.

UNDER THE NEW REGULATIONS, YOU WILL MAKE EITHER MONTHLY OR SEMIWEEKLY DEPOSITS OF EMPLOYMENT TAXES. EACH YEAR WE WILL NOTIFY YOU ABOUT WHICH SCHEDULE OF DEPOSITS OUR RECORDS INDICATE YOU SHOULD USE FOR THE COMING YEAR. HOWEVER, YOU ARE RESPONSIBLE FOR DETERMINING THE DEPOSIT SCHEDULE THAT APPLIES TO YOU.

IN OCTOBER 1992, WE REVIEWED THE TOTAL EMPLOYMENT TAX LIABILITY IN THE QUARTERS OF YOUR LOOKBACK PERIOD - IN YOUR CASE, THE FOUR QUARTERS ENDING SEPTEMBER 1991, DECEMBER 1991, MARCH 1992, AND JUNE 1992. AT THAT TIME, YOUR TOTAL EMPLOYMENT TAX LIABILITY FOR THE PERIOD WAS \$50,000 OR LESS. THEREFORE, BEGINNING JANUARY 1, 1993, YOU SHOULD START DEPOSITING UNDER THE MONTHLY RULE. UNDER THIS RULE, YOUR DEPOSITS FOR ANY GIVEN MONTH ARE DUE ON OR BEFORE THE 15TH DAY OF THE FOLLOWING MONTH.

THERE ARE SOME SITUATIONS THAT MAY CHANGE YOUR MONTHLY DEPOSIT REQUIREMENT. FOR EXAMPLE:

- IF, DURING ANY MONTH IN 1993, YOUR ACCUMULATED FEDERAL TAXES REACH \$100,000 OR MORE, YOU MUST MAKE A DEPOSIT ON THE NEXT BANKING DAY. THIS ONE-DAY DEPOSIT REQUIREMENT OVERRIDES ANY OTHER DEPOSIT RULE. AFTERWARDS, YOU MUST MAKE DEPOSITS FOR THE REST OF THE YEAR USING THE SEMIWEEKLY RULE.
- IF YOUR REVIEW OF YOUR RECORDS FOR THE QUARTERS IN THE LOOKBACK PERIOD SHOWS THAT YOUR TOTAL EMPLOYMENT TAX LIABILITY WAS MORE THAN \$50,000, YOU MUST DEPOSIT UNDER THE SEMIWEEKLY RULE INSTEAD OF THE MONTHLY RULE. FOR INSTANCE, THE RECORDS WE REVIEWED IN OCTOBER 1992 MAY NOT REFLECT A LATE-FILED RETURN THAT INCREASED YOUR TOTAL TAX LIABILITY FOR THE LOOKBACK PERIOD TO MORE THAN \$50,000.

THE ENCLOSED NOTICE 931 EXPLAINS BOTH THE NEW MONTHLY AND SEMIWEEKLY DEPOSIT REQUIREMENTS IN MORE DETAIL. YOU CAN ALSO FIND USEFUL INFORMATION IN CIRCULAR E, EMPLOYER'S TAX GUIDE.



1200 E. Broad Street  
 Mansfield, Texas 76063  
 817-276-4200

QDATIS	QPMTYP	QYEAR	QPMNBR	QCONTR	QBLOCK	QSTNAM	QSTSFX	QPSTAT
10893	R1	93	1087	B-TWIN CITIES	1204	ARBORS	CR	C
30993	R1	93	1121	B-TWIN CITIES	1313	BROOK ARBOR	DR	C
40593	R1	93	1143	B-TWIN CITIES	1310	ARBORS	CT	C
41293	R1	93	1154	B-TWIN CITIES	1304	BROOK ARBOR	DR	C
42893	R1	93	1171	B-TWIN CITIES	2014	NUGENT	DR	C
50593	R1	93	1176	B-TWIN CITIES	5	BROOKSIDE	CT	C
51093	R1	93	1185	B-TWIN CITIES	14	BROOK ARBOR	CT	C
52093	R1	93	1190	B-TWIN CITIES	1511	CREEKSIDE	CR	C
61893	R1	93	1210	B-TWIN CITIES	13	BROOK ARBOR	CT	C
60893	R1	93	1220	B-TWIN CITIES	11	WATERWOOD	CT	C
61793	R1	93	1221	B-TWIN CITIES	7	WATERWOOD	CT	C
70293	R1	93	1249	B-TWIN CITIES	6	WATERWOOD	CT	C
71393	R1	93	1262	B-TWIN CITIES	7	BROOK ARBOR	CT	C
72993	R1	93	1277	B-TWIN CITIES	109	CREEKWOOD	DR	C
80293	R1	93	1285	B-TWIN CITIES	1206	BROOK ARBOR	DR	C
80293	R1	93	1290	B-TWIN CITIES	1	BROOK ARBOR	CT	C
81193	R1	93	1295	B-TWIN CITIES	1513	CREEKSIDE	CR	C
82593	R1	93	1305	B-TWIN CITIES	1304	ARBORS	CT	C
91593	R1	93	1329	B-TWIN CITIES	5	TREESIDE	CT	C
91593	R1	93	1330	B-TWIN CITIES	1507	CREEKSIDE	CR	C
100193	R1	93	1352	B-TWIN CITIES	1	TREEWOOD	CT	C
102293	R1	93	1366	B-TWIN CITIES	2620	BROOKWOOD	DR	C
112293	R1	93	1400	B-TWIN CITIES	1514	CREEKSIDE	DR	C
112293	R1	93	1401	B-TWIN CITIES	1401	CREEKSIDE	DR	C
120293	R1	93	1406	B-TWIN CITIES	1311	BROOK ARBOR	DR	C
122393	R1	93	1419	B-TWIN CITIES	1208	BROOK ARBOR	DR	C
11294	R1	94	1430	B-TWIN CITIES	4	BROOKSIDE	CT	C
12694	R1	94	1455	B-TWIN CITIES	8	WATERWOOD	CT	C
20894	R1	94	1462	B-TWIN CITIES	2	TREEWOOD	CT	C
31594	R1	94	1505	B-TWIN CITIES	2609	WOODBIDGE	TR	C
41594	R1	94	1549	B-TWIN CITIES	2605	BROOKWOOD	DR	C
41994	R1	94	1550	B-TWIN CITIES	2608	WOODBIDGE	TR	C
42994	R1	94	1564	B-TWIN CITIES	2515	WOODBIDGE	TR	C





1200 E. Broad Street  
 Mansfield, Texas 76063  
 817-276-4200

50994 R1	94	1573 B-TWIN CITIES	10 TREEWOOD	CT	C
52694 R1	94	1592 B-TWIN CITIES	1516 CREEKSIDE	DR	C
52694 R1	94	1593 B-TWIN CITIES	7 TREEWOOD	CT	C
61694 R1	94	1614 B-TWIN CITIES	3 WOODBRIDGE	CT	C
71994 R1	94	1629 B-TWIN CITIES	132 CREEKWOOD	DR	C
81094 R1	94	1652 B-TWIN CITIES	5 WOODBRIDGE	CT	C
81094 R1	94	1654 B-TWIN CITIES	2 WOODBRIDGE	CT	C
82394 R1	94	1662 B-TWIN CITIES	1302 WATERWOOD	DR	C
82394 R1	94	1663 B-TWIN CITIES	1304 WATERWOOD	DR	C
90694 R1	94	1675 B-TWIN CITIES	5 VELVET	CT	C
90694 R1	94	1676 B-TWIN CITIES	1023 BROOK ARBOR	DR	C
100394 R1	94	1699 B-TWIN CITIES	2607 WOODBRIDGE	TR	C
101494 R1	94	1706 B-TWIN CITIES	1300 WATERWOOD	DR	C
110894 R1	94	1726 B-TWIN CITIES	1603 ARBORCREEK	TR	C
120194 R1	94	1742 B-TWIN CITIES	4 WOODBRIDGE	CT	C
11295 R1	95	1755 B-TWIN CITIES	2306 CHAPARRAL	TR	C
21495 R1	95	1783 B-TWIN CITIES	4 MISTYWOOD	CT	C
32195 R1	95	1816 B-TWIN CITIES	1309 BROOK ARBOR	DR	C
41095 R1	95	1837 B-TWIN CITIES	1305 WATERWOOD	DR	C
41295 R1	95	1843 B-TWIN CITIES	1308 WATERWOOD	DR	C
51695 R1	95	1879 B-TWIN CITIES	4 VELVET	CT	C
61695 R1	95	1915 B-TWIN CITIES	6 WOODBRIDGE	CT	C
62895 R1	95	1923 B-TWIN CITIES	2503 PEPPER MILL	TR	C
70395 R1	95	1934 B-TWIN CITIES	1 SAVOY	CT	C
72195 R1	95	1947 B-TWIN CITIES	7 WOODBRIDGE	TR	C

CERTIFICATE OF CORPORATE RESOLUTION

THE STATE OF TEXAS  
COUNTY OF TARRANT

That the undersigned, as Secretary of Twin Cities Equipment Co., Inc., do hereby certify that said Corporation is duly organized and existing under the laws of the State of Texas; that all franchise and other taxes required to maintain its corporate existence have been paid when due and that no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Incorporation or for its dissolution, voluntarily or involuntarily; that it is duly qualified to do business in the State of Texas and it is in good standing therein; that there is no provision in the Articles of Incorporation or Bylaws of said Corporation limiting the power of the Board of Directors to pass the resolution set out below and the same is in conformity with the provisions of said Articles of Incorporation and Bylaws' that the Secretary is the keeper of the records of Incorporation and Bylaws; that the Secretary is the keeper of the records and minutes of the proceedings of the Board of Directors of said Corporation and that on the 1st day of January, 2006, there was held a meeting of the Board of Directors of said Corporation, which was duly called and held in accordance with the law and the Bylaws of the Corporation, at which meeting all of the Directors were present; and that at said meeting the following resolution was duly and legally passed and adopted and that the same has not been altered, amended, rescinded or repealed and is in full force and effect:

"BE IT RESOLVED THAT PRESIDENT, VICE-PRESIDENT, SECRETARY/TREASURER of the Corporation, jointly and/or individually, are hereby authorized to execute, for and on behalf of the Corporation, Contract of Sale, Deeds, Notes, Deeds of Trust, Security Agreements, Financing Statements, Guaranties, Affidavits, Leases and any and all other instruments that are required for any of its real property owned or acquired in the State of Texas. This authority shall continue until a copy of a resolution revoking same is filed in the Real Property Records of the appropriate county."

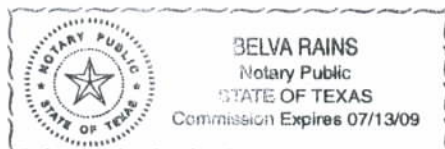
I certify that the following persons presently hold the offices of the Corporation, and are the persons authorized to act and sign pursuant to the foregoing resolution:

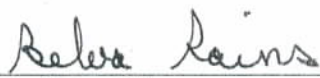
PRESIDENT	ROBERT B. MCCASLIN
SECRETARY/TREASURER	KIM MCCASLIN SCHLIEKER

IN WITNESS WHEREOF, I have set my hand on behalf of the Corporation as provided for above, as President of said Corporation and have attached hereto the official seal of said Corporation, this 1st day of January, 2006.

  
\_\_\_\_\_  
President

"This instrument was acknowledged before me this 1<sup>st</sup> day off January, 2006, by Robert B. McCaslin, President of Twin Cities Equipment Co., Inc., a Texas corporation."



  
\_\_\_\_\_  
Notary Public, State of Texas  
Name printed Belva RAINS  
Commission Expires 7-13-09

FILED  
In the Office of the  
Secretary of State of Texas

OCT 24 1975

ARTICLES OF INCORPORATION  
OF

*James L. Wilson*  
Deputy Director, Corporation Division

TWIN CITIES EQUIPMENT CO., INC.

WE, the undersigned natural persons of the age of twenty-one or more, all of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is TWIN CITIES EQUIPMENT CO., INC.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The nature of the business and the objects or purposes for which the corporation is formed and its business to be transacted, promoted, or carried on are:

- (1) To carry on the business of a rental and leasing company with the right to buy, sell, hold, lease, rent, manufacture, mortgage or otherwise encumber, sell, lease and dispose of personal property of all kinds and descriptions.
- (2) Subject to the provisions of Part IV of the Texas Miscellaneous Corporation Law Act to purchase, construct or otherwise acquire, hold, repair and lease any building or improvement in any type of property; to purchase, sell, lease and subdivide property in towns, cities and villages and their suburbs not extending more than two miles beyond their corporate limit; to mortgage and deal in and with any and all of said property;
- (3) To manufacture, produce, process, refine, develop, purchase, or otherwise acquire, handle, sell, lease, and generally deal and trade in and with goods, wares, merchandise, articles of commerce and personal property of every kind, nature and description;
- (4) Without limitation to the generality of the provisions of paragraphs (1) through (3) of its Article III;
  - (a) To enter into, make and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, state or nation, territory, dependency, or colony thereof;
  - (b) To have one or more offices, to carry on all or any of its operations, and to purchase or otherwise acquire, hold, own, mortgage,



sell, convey or otherwise dispose of personal property of every class and description and real property to the extent required in the conduct of the business of the corporation, but only to the extent that the same may be authorized by the Laws of the State of Texas;

(c) To apply for, obtain, or register, purchase, lease or otherwise acquire, and to hold, own, use, develop and introduce, and to sell, assign, grant licenses or rights in respect of, or otherwise to turn to account or dispose of, copyrights, trademarks or other tradenames;

(d) To do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes, or the attainment of any of the objects, or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms, or individuals, and to do every act or acts, thing or things, incidental or appurtenant to or growing out of or connected with the aforesaid business or powers, or any part or parts thereof; provided the same not be inconsistent with the Laws of the State of Texas;

(e) To carry on any other business connected with the foregoing, and to have and exercise all the powers conferred by the Laws of Texas upon a corporation formed under the Texas Business Corporation Act.

The provisions of this Article III shall be construed both as objects and powers, and the foregoing enumeration of specific objects and powers shall not be held to limit or restrict in any manner the powers of the corporation.

#### ARTICLE IV.

The aggregate number of shares which the corporation shall have the authority to issue is One hundred thousand (100,000) without par value.

#### ARTICLE V

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of \$1,000.00, consisting of money, labor done or property actually received.

#### ARTICLE VI

The address of its initial registered office is 3951 East Loop 820S., Fort Worth, Texas 76119, and the name of its initial registered agent at such address is Robert B. McCaslin.

#### ARTICLE VII

The number of directors constituting the initial Board of Directors is three (3), and the names and addresses of the persons who are to serve as Directors



until the first annual meeting of the shareholders or until their successors are elected and qualified are:

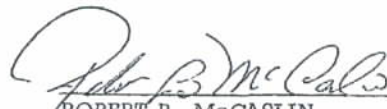
Robert B. McCaslin	3951 East Loop 820S. Fort Worth, Texas 76119
Meto Miteff	Moncrief Building, 9th and Commerce Fort Worth, Texas 76102
Charles E. Webb	Moncrief Building, 9th and Commerce Fort Worth, Texas 76102


ARTICLE VIII


The names and addresses of the incorporators are:

Robert B. McCaslin	3951 East Loop 820S. Fort Worth, Texas 76119
Meto Miteff	Moncrief Building, 9th and Commerce Fort Worth, Texas 76102
Charles E. Webb	Moncrief Building, 9th and Commerce Fort Worth, Texas 76102

IN WITNESS WHEREOF, we have hereunto set our hands this 22 day of October, 1975.

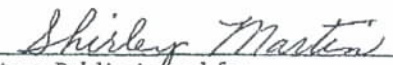
  
\_\_\_\_\_  
ROBERT B. McCASLIN

  
\_\_\_\_\_  
METO MITEFF

  
\_\_\_\_\_  
CHARLES E. WEBB

THE STATE OF TEXAS     I  
COUNTY OF TARRANT    I

I, the undersigned authority, a notary public, do hereby certify that on the 22 day of October, 1975, personally appeared before me ROBERT B. McCASLIN, METO MITEFF, and CHARLES E. WEBB, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

  
\_\_\_\_\_  
Notary Public in and for  
Tarrant County, Texas  
*Shirley Martin*

My Commission Expires:  
June 1, 1977

U.S. Corporation Income Tax Return

OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

For calendar year 1995 or tax year beginning Nov 1, 1995, ending Oct 31, 1996 - See Instructions for Paperwork Reduction Act Notice.

1995

**A Check if a:**

1 Consolidated return (attach Form 951)

2 Personal holding co (attach Sch PH)

3 Personal service corp (as defined in Regs 1.241-1)

**Use IRS label. Otherwise, please print or type.**

**Name:** TWIN CITIES EQUIPMENT CO., INC.  
**Number, Street, and Room or Suite Number (if a P.O. box, see instructions):** 3951 E. LOOP 820 S.  
**City or Town:** FORT WORTH **State:** TX **ZIP Code:** 76119

**B Employer ID Number:** [REDACTED]

**C Date Incorporated:** 10/24/75

**D Total Assets:** \$ 1,120,724.

**E Check applicable boxes:** (1) Initial return (2) Final return (3) Change of address

INCOME	1a	Gross receipts or sales	1,142,121	b Less returns & allowances		c Balance	1c	1,142,121
	2	Cost of goods sold (Schedule A, line 8)					2	1,171,306
	3	Gross profit. Subtract line 2 from line 1c					3	-29,185
	4	Dividends (Schedule C, line 19)					4	
	5	Interest					5	28
	6	Gross rents					6	
	7	Gross royalties					7	
	8	Capital gain net income (attach Schedule D (Form 1120))					8	
	9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)					9	
	10	Other income (see instructions - attach schedule) - See Other Income Statement					10	9,277
	11	<b>Total income.</b> Add lines 3 through 10					11	-19,880
DEDUCTIONS	12	Compensation of officers (Schedule E, line 4)					12	
	13	Salaries and wages (less employment credits)					13	
	14	Repairs and maintenance					14	
	15	Bad debts					15	
	16	Rents					16	
	17	Taxes and licenses					17	1,512
	18	Interest					18	6,418
	19	Charitable contributions (see instructions for 10% limitation)					19	
	20	Depreciation (attach Form 4562)		12,090	20		20	
	21	Less depreciation claimed on Schedule A and elsewhere on return			21a		21b	12,090
TAX AND PAYMENTS	22	Depletion					22	
	23	Advertising					23	1,035
	24	Pension, profit-sharing, etc. plans					24	
	25	Employee benefit programs					25	
	26	Other deductions (attach schedule) - See Other Deductions Statement					26	12,041
	27	<b>Total deductions.</b> Add lines 12 through 26					27	33,096
	28	taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-52,976
	29	Less: a Net operating loss deduction			29a		29c	
		b Special deductions (Schedule C, line 20)			29b			
	30	<b>Taxable income.</b> Subtract line 29c from line 28					30	-52,976
31	<b>Total tax</b> (Schedule J, line 10)					31		
32	Payments: a 1994 overpayment credited to 1995	32a						
	b 1995 estimated tax payments	32b						
	c Less 1995 refund applied for on Form 4466	32c						
	d Bal	32d						
	e Tax deposited with Form 7004	32e						
	f Credit from regulated investment companies (attach Form 2139)	32f						
	g Credit for federal tax on fuels (attach Form 4136)	32g						
33	Estimated tax penalty. Check if Form 2220 is attached					33		
34	<b>Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34		
35	<b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36	<b>Enter amount of line 35 you want: Credited to 1996 estimated tax</b>					36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

**CLIENT'S COPY**

Signature of Officer: [Signature] Date: [Date] Title: [Title]

Paid Preparer's Use Only

Preparer's Signature: [Signature] Date: [Date] Check if self-employed:

Firm's Name (or yours if self-employed) and Address: NAMANNY & COMPANY, P.C. 8701 BEDFORD-EULESS ROAD, SUITE 515 HURST TX ZIP Code: 76053

Preparer's Social Security Number: [REDACTED] EIN: [REDACTED]

**Schedule A Cost of Goods Sold**

1	Inventory at beginning of year	1	1,530,294.
2	Purchases	2	508,982.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule) . See Additional Section 263A Costs Statement	4	27,866.
5	Other costs (attach schedule) . See Other Costs Statement	5	25,606.
6	<b>Total.</b> Add lines 1 through 5	6	2,092,748.
7	Inventory at end of year	7	921,442.
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	1,171,306.

9a Check all methods used for valuing closing inventory:

- (i)  Cost as described in Regulations section 1.471-3
- (ii)  Lower of cost or market as described in Regulations section 1.471-4
- (iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

9d

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation?

Yes  No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation

Yes  No

**Schedule C Dividends and Special Deductions**

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (sec 243(b))	100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (sec 245(e)(1))	100	
12	Dividends from affiliated group members subject to the 100% ded (sec 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on line 4, page 1		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1		

**Schedule E Compensation of Officers** (See Instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	<b>Total compensation of officers</b>					
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

**Schedule J Tax Computation**

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563)  **Important:** Members of a controlled group, see instructions.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_

b Enter the corporation's share of:  
 (1) additional 5% tax (not more than \$11,750) ..... \$ \_\_\_\_\_  
 (2) additional 3% tax (not more than \$100,000) ..... \$ \_\_\_\_\_

3 Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2)  **3**

4a Foreign tax credit (attach Form 1118) ..... **4 a**

b Possessions tax credit (attach Form 5735) ..... **4 b**

c Check:  Nonconventional source fuel credit  QEV credit (attach Form 8834) ..... **4 c**

d General business credit. Enter here and check which forms are attached:  
 3800  3468  5884  6478  6765  8586  8830  
 8826  8835  8844  8845  8846  8847 ..... **4 d**

e Credit for prior year minimum tax (attach Form 8827) ..... **4 e**

5 **Total credits.** Add lines 4a through 4e ..... **5**

6 Subtract line 5 from line 3 ..... **6**

7 Personal holding company tax (attach Schedule PH (Form 1120)) ..... **7**

8 Recapture taxes. Check if from:  Form 4255  Form 8511 ..... **8**

9a Alternative minimum tax (attach Form 4626) ..... **9 a**

b Environmental tax (attach Form 4626) ..... **9 b**

10 **Total tax.** Add lines 6 through 9b. Enter here and on line 31, pg 1 ..... **10**

**Schedule K Other Information**

	Yes	No		Yes	No
1 Check method of accounting: a <input type="checkbox"/> Cash			7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		X
b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (spec) _____			If 'Yes,' attach Form 5471 for each such corporation. Enter no. of Forms 5471 attached _____		
2 See the instructions and state the principal: a Business activity code no. <b>1798</b>			8 At any time during the 1995 calendar year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b Business activity <b>CONSTRUCTION</b>			If 'Yes,' the corporation may have to file Form TD F 90-22.1. If 'Yes,' enter nm of foreign country _____		
c Product or service <b>HOMES</b>			9 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If 'Yes,' the corporation may have to file Forms 926, 3520, or 3520-A		X
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		X	10 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?		X
If 'Yes,' attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			If 'Yes,' a Enter percentage owned _____ b Enter owner's country _____ c The corporation may have to file Form 5472. Enter number of Forms 5472 attached _____		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X	11 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
If 'Yes,' enter employer identification number and name of the parent corporation _____			If so, the corporation may have to file Form 8281.		
5 Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)	X		12 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____		
If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter % owned <b>100.00</b> See Sch K			13 If there were 35 or fewer shareholders at the end of the tax year, enter the number <b>1</b>		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X	14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input checked="" type="checkbox"/>		
If 'Yes,' file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) \$ <b>44,716.</b>		



**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach this form to your return.

**1995**

67

Name(s) Shown on Return

Business or Activity to Which This Form Relates

Identifying Number

**TWIN CITIES EQUIPMENT CO., INC.**

Form 1120 Line 20

**Part I Election to Expense Certain Tangible Property (Section 179)**

(Note: If you have any 'Listed Property,' complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions.	1	\$17,500
2	Total cost of section 179 property placed in service during the tax year	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1994	10	
11	Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation for Assets Placed in Service Only During Your 1995 Tax Year**  
(Do Not Include Listed Property)

**Section A - General Asset Account Election**

14 If you are making the election under section 168(f)(1) to group any assets placed in service during the tax year into one or more general asset accounts, check this box (See instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
--------------------------------	--------------------------------------	--	---------------------	----------------	------------	----------------------------

**Section B - General Depreciation System (GDS)**

15a 3-year property						
b 5-year property						
c 7-year property		602.	7.0 yrs	HY	200DB	86.
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs	MM	S/L	
h Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C - Alternative Depreciation System (ADS)**

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part III Other Depreciation (Do Not Include Listed Property)**

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	7,906.
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	

**Part IV Summary**

20	Listed property. Enter amount from line 26	20	4,098.
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	12,090.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

BAA For Paperwork Reduction Act Notice, see instructions.

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**Part V** Listed Property – Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23n, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A – Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)**

23a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									23b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
24 Property used more than 50% in a qualified business use:											
1987 PICKUP	12/22/92	100.00	1,690.	1,690.	5.00	200DB/HY	338.				
MERCEDES	01/01/96	100.00	55,261.	55,261.	5.00	200DB/HY	3,060.				
FORD VAN	02/15/94	100.00	2,500.	2,500.	5.00	200DB/HY	700.				
25 Property used 50% or less in a qualified business use:											
26 Add amounts in column (h). Enter the total here and on line 20, page 1											
							26	4,098.			
27 Add amounts in column (i). Enter the total here and on line 7, page 1											
											27

**Section B – Information On Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner" or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (Do not include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI** Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code Section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995				41	
42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return				42	

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Name  
TWIN CITIES EQUIPMENT CO., INC. EIN: [REDACTED]

Address  
3951 E. LOOP 820 S.

City  
FORT WORTH

	State	ZIP Code
	TX	76119

**Schedule for Question 3**

- 1 Name .....
- 2 Address .....
- 3 Identifying number .....
- 4 Percentage of voting stock owned .....
- 5 Taxable income before NOL and special deductions .....

**Schedule for Question 5**

- 1 Name ..... R. B. MCCASLIN
- 2 Identifying number ..... [REDACTED]



Form 1120, Page 1, Line 10  
Other Income Statement

ARBORS OF CREEKWOOD PARTNERSHIP	.....	
[REDACTED]	.....	7,472.
KIRBY CREEK PARTNERSHIP	.....	
[REDACTED]	.....	731.
ROLLING ACRES PARTNERSHIP	.....	
[REDACTED]	.....	1,074.
		9,277.

Form 1120, Page 1, Line 26  
Other Deductions Statement

VEHICLE EXPENSE	.....	1,553.
BANK CHARGES	.....	127.
INSURANCE	.....	3,045.
MISCELLANEOUS	.....	121.
PROFESSIONAL SERVICES	.....	2,715.
OFFICE SUPPLIES	.....	82.
TELEPHONE	.....	729.
UTILITIES	.....	147.
WARRANTY EXPENSE	.....	3,288.
PAGERS	.....	234.
		12,041.

Form 1120, Page 2, Sch A, Line 4  
Additional Section 263A Costs Statement

INTEREST EXPENSE	.....	20,361.
INSURANCE	.....	303.
PROPERTY TAXES	.....	7,202.
		27,866.

Form 1120, Page 2, Sch A, Line 5  
Other Costs Statement

UTILITIES	.....	2,195.
FEES	.....	98.
PROFESSIONAL SERVICES	.....	800.
CLOSING COSTS	.....	22,513.
		25,606.

Form 1120, Page 4, Schedule M-1  
Sch M-1, Ln 5c

OFFICERS LIFE INSURANCE	.....	17,384.
		17,384.

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Name **TWIN CITIES EQUIPMENT CO., INC.** Employer Identification Number **[REDACTED]**

	Carryover Amount	Deduction Allowed in Current Yr	Remaining Carryover
<b>Carryover Period:</b>			
1st preceding period - 1994 .....	44,716.		44,716.
2nd preceding period - 1993 .....			
3rd preceding period - 1992 .....			
4th preceding period - 1991 .....			
5th preceding period - 1990 .....			
6th preceding period - 1989 .....			
7th preceding period - 1988 .....			
8th preceding period - 1987 .....			
9th preceding period - 1986 .....			
10th preceding period - 1985 .....			
11th preceding period - 1984 .....			
12th preceding period - 1983 .....			
13th preceding period - 1982 .....			
14th preceding period - 1981 .....			
15th preceding period - 1980 .....			
Totals .....	44,716.		44,716.
Less: Amount of carryover expiring due to 15-year limitation .....			
Add: Current year Net Operating Loss .....			52,976.
Total amount of Net Operating Loss carryovers to next year .....			97,692.

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# Contribution Limitation Worksheet

1995

▶ Keep for your records

Name TWIN CITIES EQUIPMENT CO., INC.	Employer Identification Number [REDACTED]
---	--

1 Enter your current year contribution .....	1	6,960.
2 Enter any contribution carryover from prior year(s) .....	2	250.
3 Total contribution available this year. Line 1 plus line 2 .....	3	7,210.
4 Taxable income computed without Section 179 or contribution deduction .....	4	-52,976.
5 Section 179 deduction (for purposes of contribution limitation) .....	5	
6 Taxable income computed with Section 179 deduction. Line 4 minus line 5 .....	6	
7 Maximum contribution. 10% of line 6 .....	7	
8 Contribution deduction (for purposes of section 179 limitation). Smaller of line 3 or line 7 .....	8	0.
9 Taxable income computed with contribution deduction. Line 4 minus line 8 .....	9	-52,976.
10 Actual section 179 deduction .....	10	
11 Taxable income computed with actual section 179 deduction. Line 4 minus line 10 .....	11	0.
12 Net operating loss deduction (from Regular Net Operating Loss Worksheet, Carryover Amount, first column), limited by line 11 of this worksheet .....	12	0.
13 Taxable income for purposes of contribution deduction. Line 11 minus line 12 .....	13	0.
14 Maximum contribution. 10% of line 13 .....	14	
15 Actual contribution deduction. Smaller of line 3 or line 14 .....	15	0.
16 Carryover of unused contribution to 1996. Line 3 minus line 15 .....	16	7,210.

CPCW7301.SCR 05/31/95

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# Carryovers/Carryforwards Worksheet

▶ Keep for your records

1995

	To Current Year	To Next Year
Name TWIN CITIES EQUIPMENT CO., INC.		
EIN <span style="background-color: black; color: black;">XXXXXXXXXX</span>		
<b>Form 1120:</b>		
Contributions carryover .....	250.	7,210.
Net Operating Loss carryover .....		97,692.
AMT Net Operating Loss carryover .....		
<b>Schedule D (Form 1120):</b>		
Unused capital loss carryover .....		
<b>Form 2220:</b>		
Tax .....		
<b>Form 8827:</b>		
Alternative Minimum Tax .....		
Minimum tax credit carryforward .....		
<b>Form 3800:</b>		
Unused general business credit .....		
Enter the amount carried back to prior years .....		
Net general business credit carryforward .....		

CPCW8001.SCR 07/10/95

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**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Merrill Square located in Duncanville, Texas.

**WHEREAS**, the Board approved a change to the 2011 Qualified Allocation Plan in §49.8(4) with respect to the Experience Certification requirements to include the provision that tax credit specific development experience be required of an Applicant interested in pursuing an application for new tax credits; and

**WHEREAS**, the Applicant provided no documentation to support any claim of experience for staff to evaluate as of the date of publication of this Board Action Request; and

**WHEREAS**, The Applicant has not provided any compelling reason for why the tax credit specific development experience should be waived; therefore

**BE IT RESOLVED**, that the request for waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Merrill Square is hereby denied.

**Background**

On January 7, 2011 the Department received a pre-application for Merrill Square located in Duncanville, Texas. The pre-application proposes a 144-unit, multi-family, Reconstruction development targeting the general population.

The Applicant provided a disclosure statement within the pre-application stating that Options Holding, Ltd. has successfully development hundreds of multi-family units using conventional and FHA financing. However, no other documentation to support this statement was provided in the pre-application or subsequently upon staff request.

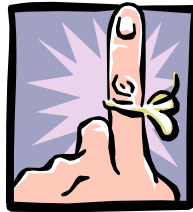
Staff recommends the Board deny the waiver.

**Tab 7**

**Applicant Disclosure**

**Development Name:** Merrill Square **City:** Duncanville

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potentially ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



Place narrative behind this form

## **Experience Certificate Qualification**

Options Holding, Ltd. has successfully developed hundreds of multifamily units using conventional and FHA financing. As such, I respectfully request a waiver of the requirement for tax credit specific development experience in order to receive a 2011 Experience Certificate, and allow my market rate multifamily experience to qualify.

**MULTIFAMILY FINANCE DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Requested Action**

Deny the request for a waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Magnolia Gardens located in Brazoria, Texas.

**WHEREAS**, the Board approved a change to the 2011 Qualified Allocation Plan in §49.8(4) with respect to the Experience Certification requirements to include the provision that tax credit specific development experience be required of an Applicant interested in pursuing an application for new tax credits; and

**WHEREAS**, the Applicant provided no documentation to support any claim of experience for staff to evaluate as of the date of publication of this Board Action Request; and

**WHEREAS**, The Applicant has not provided any compelling reason for why the tax credit specific development experience should be waived; therefore

**BE IT RESOLVED**, that the request for waiver of the tax credit specific development experience as cited in §49.8(4) of the 2011 Qualified Allocation Plan for the Applicant of Magnolia Gardens II is hereby denied.

**Background**

On January 7, 2011 the Department received a pre-application for Magnolia Gardens II located in Brazoria, Texas. The pre-application proposes an 80-unit, single-family, Newe Construction development targeting the general population.

The Applicant provided a disclosure statement within the pre-application stating that the partners of Magnolia Capital, LLC has successfully development hundreds of single-family and multi-family housing over the past 30 years. However, no other documentation to support this statement was provided in the pre-application or subsequently upon staff request.

Staff recommends the Board deny the waiver.

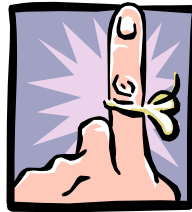


**Tab 7**

**Applicant Disclosure**

**Development Name:** Magnolia Gardens II      **City:** Brazoria

The purpose of this tab is to provide the Applicant with the opportunity to disclose any anticipated problems with meeting the eligibility requirements as more fully described in §49.4 of the 2011 QAP. A narrative should be placed behind this tab and include a description of the potential ineligibility with the applicable QAP reference cited; a description of how the Applicant expects to address the inability to meet the requirement; and the specific relief the Applicant seeks from the Department. It is encouraged that this information be presented to the Department in advance of the final Pre-Application submission deadline of January 7, 2011 in order to allow the Applicant the opportunity to present such request before the TDHCA Board, if necessary.



Place narrative behind this form

## Experience Certificate Qualification

The partners of Magnolia Capital, LLC has successfully developed hundreds of units of single family and multifamily housing over the past 30 years. As such, I respectfully request a waiver of the requirement for *tax credit* specific development experience in order to receive a 2011 Experience Certificate. The criteria as it relates to Single Family construction and the requirement of partnering with a qualified single family tax credit developer and it is very limiting as few like-kind communities have been developed within the state.

Single Family construction of a rental community offers a great opportunity for Low to Moderate Income families, and I would greatly appreciate your consideration and approval of my request.

Noor Jooma

Withdrawn

Multi-Family Mission Ministries, Inc.

Withdrawn

Megan Childers Development, LLC

Withdrawn

Housing Tax Credit Program Extensions  
Quarterly Report  
2010 3rd and 4th Quarters

Dev.#	Dev. Name	Action By Board or Executive Director	Original Deadline	New Deadline	Date of Approval or Pending
<b>SUBMISSION OF CARRYOVER</b>					
10003/09813	Champion Homes at Marina Landing	Board	11/2/10	11/3/10	12/17/10
10178	Cypress Creek at Fayridge	Board	11/2/10	11/3/10	12/17/10
10143	Oak Creek Townhomes	Board	11/2/10	11/3/10	12/17/10
<b>SUBMISSION OF 10% TEST</b>					
09313	Hampshire Court Apts	Exec	12/1/10	1/31/11	10/29/10
09353	Hyatt Manor Apts	Exec	12/1/10	12/15/10	12/15/10
09992	Northgate and Rhomberg Apts	Exec	12/1/10	12/15/10	12/15/10
09000/09974	Courtwood Apartments	Board	12/1/10	12/31/10	12/17/10
09001/09777	Hillwood Apts	Board	12/1/10	12/31/10	12/17/10
09165/10507/09999	Cherrywood Apartments	Board	12/1/10	12/31/10	12/17/10
09913/08026	Villas on Raiford	Board	12/1/10	12/31/10	12/17/10
09314/09760	Taylor Farms	Board	12/1/10	12/31/10	12/17/10
<b>SUBMISSION AND COMMENCEMENT OF SUBSTANTIAL CONSTRUCTION</b>					
09914	StoneLeaf at Dalhart	Board	5/31/10	8/31/10	7/8/10
08200	Ingram Square Apts	Board	12/1/09	7/1/10	7/29/10
09920	Anson Park	Board	5/31/10	6/31/10	7/29/10
09916	Mid-Towne Apts	Board	8/31/10	10/31/10	9/9/10
09917	Alta Vista	Board	8/31/10	10/31/10	9/9/10
09910	Lexington Square	Board	8/31/10	9/30/10	9/9/10
09921	Oak Manor/Oak Village Apts	Board	7/31/10	11/30/10	9/9/10
09922	Parkview Terrace	Board	8/31/10	10/31/10	9/9/10
09929	Buena Vida Senior	Board	8/31/10	2/2/11	9/9/10
09932	Constitution Court	Board	7/31/10	12/31/10	9/9/10
09905	Aurora Meadows	Exec	8/31/10	10/31/10	9/15/10
09915	Jackson Village	Exec	7/31/10	9/8/10	11/10/10
09905	Aurora Meadows	Exec	10/31/10	12/15/10	11/12/10
09917	Alta Vista	Exec	10/31/10	12/31/10	11/12/10
09311	Deerbrook Place Apartments	Exec	12/1/10	1/31/11	12/7/10
09266/09787	Skytop Apartments	Exec	12/1/10	3/1/11	12/7/10
09315/09951	The Canyons Retirement Community	Exec	12/1/10	3/1/10	12/7/10
09915/09783	Magnolia Trace Apartments	Exec	12/1/10	3/1/11	12/7/10
09313	Hampshire Court Apts	Exec	12/1/10	2/28/11	12/8/10
09356	Legacy Villas Apartments	Exec	12/1/10	2/1/11	12/8/10
09198/10701	Montabella Pointe	Exec	12/1/10	4/30/11	12/10/10
09211/09769	Corban Townhomes	Exec	12/1/10	6/1/11	12/14/10
09353	Hyatt Manor	Exec	12/1/10	3/1/11	12/15/10
09992	Northgate and Rhomberg Apts	Exec	12/1/10	3/1/11	12/15/10
09913/08026	Villas on Raiford	Board	12/1/10	6/1/10	12/17/10
09314/09760	Taylor Farms	Board	12/1/10	6/1/10	12/17/10

Housing Tax Credit Program Extensions  
Quarterly Report  
2010 3rd and 4th Quarters

Dev.#	Dev. Name	Action By Board or Executive Director	Original Deadline	New Deadline	Date of Approval or Pending
<b>SUBMISSION OF COST CERTIFICATION</b>					
060117/09748	Mesquite Terrace	Board	1/15/10	5/21/10	7/29/10
07189/08931	Sunlight Manor	Board	1/15/09	1/13/10	7/29/10
02120	Humble Memorial Gardens	Board	11/26/04	6/18/08	9/9/10
05541	Cobblestone Manor	Board	4/1/08	9/1/10	9/9/10
04408	Hickory Manor Apartments	Board	4/1/06	10/1/10	11/10/10
04463	Lakeside Manor Apartments	Board	4/1/07	1/16/11	11/10/10
04488	Mission del Rio	Board	4/1/09	10/5/10	11/10/10
04612	Willow Bend Apartments	Board	4/1/06	11/19/10	11/10/10
05610	Prairie Ranch Apartments	Board	4/1/07	8/28/07	11/10/10
07166/08929	Jeremiah Seniors	Board	1/15/10	1/22/10	11/10/10
060206	Mesquite Terrace	Board	1/15/09	8/19/10	11/10/10
07621/09726	Residences at Onion Creek	Board	1/15/10	6/1/10	12/17/10
07149	Residences at Eastland	Board	1/15/10	9/17/10	12/17/10
060074	Amarillo Gardens Apartments	Board	1/15/10	7/24/10	12/17/10
<b>CLOSING DEADLINE</b>					
09019	Timber Village II	Board	8/31/10	9/30/10	9/9/10

Housing Tax Credit Amendments Approved Administratively  
2010 3rd and 4th Quarter

Dev. No.	Date of Approval	Development	City	County	Region	Owners and Affiliates	Subject of Amendment Approved
09781 09242	6/14/10	Beechnut Oaks	Houston	Harris	6	Kilday Realty Corporation	Changed site & building plans. Made substitutions in unit amenities & green building amenities.
07199	6/25/10	Kingsville LULAC Manor	Kingsville	Kleberg	10	Housing and Community Services, Inc.	Replaced self-cleaning ovens with fiber-cement siding instead of wood and decreased parking spaces from 128 to 125.
09987 09356 09119	6/25/10 7/19/10	Heritage Crossing Legacy Villas	Santa Fe Eagle Pass	Galveston Maverick	6 11	DMA; Senior Housing Resources, Inc. Roundstone Development, LLC; Clifton Phillips	Replaced one green building amenity with another and changed unit plans to increase NRA. Eliminated LPS funding and substituted one Green Building amenity for another.
09703 09010 09978 09142	7/20/10 7/21/10	Timber Village II Floral Gardens	Marshall Houston	Harrison Harris	4 6	Realtex Development; Rick Deyoe LDG Development, LLC	Eliminated LPS and Leveraging funding. Did not affect the 2008 award/forward commitment. Land size corrected from 5.15 acres to 5.35 acres. Size miscalculated in application. Boundaries remained the same.
07182 08930	7/22/10	Retama Village	McAllen	Hidalgo	11	Brownstone Affordable Housing, Ltd.; Doak Brown	Added 1,210 sq. ft. services building. Replaced gazebo/sitting area & BBQ grills & tables with a pavilion including BBQ grills & tables, worth the same points. Upgraded flooring from carpet & vinyl to 99% ceramic tile.
04105	7/23/10	Preston Trace	Frisco	Denton	3	Alliant Capital	Replaced ice-maker in all refrigerators with 2 BBQ grills & 1 table. Replaced self-cleaning oven with countertop microwave oven.
060193	7/28/10	Villa Main	Port Arthur	Jefferson	5	Enrique "Henry" Flores	Reduced parking from 280 to 213. Final ratio of 1.5 spaces per unit complied with local code.
07249	7/30/10	Bluff's Landing	Round Rock	Williamson	7	Colby Denison	Changed from carpet and vinyl to vinyl, only.
07434	7/30/10	Jose Antonio Escajeda	Odessa	Ector	12	The Reliant Group, Jos. Sherman, Chris Porter; Texas Council of Foundations for Social Resources (NP)	Parking space count was corrected from 100 to 90 in this rehabilitation development.
04224 07054	8/26/10	Commons of Grace	Houston	Harris	6	NRP Group	Withdrew request after TDHCA response.
10150	8/25/10	Woodlawn Ranch	San Antonio	Bexar	9	Hogan Properties	Withdrew request after TDHCA response.
08404	9/3/10	The Villages at Lakewest	Dallas	Dallas	3	SG Development	Number of open parking spaces reduced from 155 to 135.
07601	9/3/10	Park Place at Loyola	Austin	Travis	7	LDG Development, LLC	Replaced storage closet with built-in microwave
060038	9/8/10	Oak Timbers-North Greenbriar	Fort Worth	Tarrant	3	SunAmerica	Replaced "secured entries" with barbeque grills & picnic tables, community garden, gazebo with sitting area, public telephone and pet park.
09904	10/01/10	LULAC Hacienda	Corpus Christi	Nueces	10	TX LULAC Hacienda Housing LP	Increased development by two units for employee and development owner
09759	10/05/10	Emory Senior Living Apartments	Lubbock	Lubbock	1	Senior Living at Emory LP John Czapski	Reduction of selection score by 18 points due to loss of funding by LPS. Score reduction would not have affected application selection.
07189	10/12/10	Sunlight Manor	Beaumont	Jefferson	6	Sunlight Manor LP	Replaced self cleaning ovens with Energy Star refrigerators, dishwashers and lighting.
10028	10/15/10	Pecan Ridge	Texarkana	Bowie	4	Pecan Ridge at Rosehill LP	Increased development site by 0.865 acres of land.
07606	10/19/10	Santora Villas	Austin	Travis	7	Santora Villas LP	Replaced 1 point for 9 sq foot storage room with community laundry room. Reduced parking spaces from 280 to 275
09977	10/22/10	Chelsea Senior Community	Houston	Harris	6	Chelsea Seniors I, LLC	Replaced swimming pool with community porch/patio.
09970	10/25/10	Lufkin Pioneer Crossing for Seniors	Lufkin	Angelina	5	Lufkin Pioneer Crossing LP	Replaced irrigation and landscaping features with bamboo flooring.
060074 09947	11/2/10	Amarillo Gardens Apartments	Amarillo	Potter	1	Happy State Bank	Reduced uncovered parking from 200 to 181
08154	11/2/10	Mineral Wells Pioneer Crossing	Mineral Wells	Palo Pinto	3	Mineral Wells Crossing LP	Replaced sport court with horseshoe pit and functioning and equipped business center



Housing Tax Credit Amendments Approved Administratively  
2010 3rd and 4th Quarter

Dev. No.	Date of Approval	Development	City	County	Region	Owners and Affiliates	Subject of Amendment Approved
09784 09172	11/2/10	Evergreen at Vista Ridge	Lewisville	Denton	3	ASD Services of Dallas	Increase in NRA and common area. Decrease of uncovered parking from 144 to 76 uncovered 44 carports, and 24 detached garages. Requested to replace carpet with vinyl flooring in 30 units.
09268	12/15/10	Wildflower Terrace	Austin	Travis	7	DMA Development Company LLC	Change unit mix from 157 1/1s and 44 2/2s to 156 1/1s and 45 2/2s. Thus increasing NRA by 1.4%
060402	12/15/10	Hillcrest Manor	Lubbock	Lubbock	1	OHC Hillcrest Ltd.	Reduce uncovered parking from 350 to 217
07210	12/15/10	New Hope Housing at Brays Crossing	Houston	Harris	6	New Hope Housing Inc.	Reduce uncovered parking from 85 to 56
060211	12/15/10	Hanratty Place	Fort Worth	Tarrant	3	Mental Health Housing Development Corporation	Reduce uncovered parking from 31 to 25

Housing Tax Credit Amendments Approved by the Board  
2010 3rd and 4th Quarters

Dev. No.	Board Approval Date	Development	City	County	Region	Owners and Affiliates	Subject of Amendment	Penalties Applied
09313	6/28/10	Hampshire Court	Pasadena	Harris	6	Cynthia Ford; Steve Ford	Increased land from 12.5 to 14.5426 acres.	
09986	6/28/10	Greenhouse Place	Houston	Harris	6	Versa-Devco Development; Manish Verma	Changed roofing material, HVAC system, green building amenities, and added land and clubhouse common area including two offices, health screening room, media room, and salon.	
60170	7/8/10	Orchard Park at Willowbrook	Houston	Harris	6	Orchard Communities, Inc.; Stephan Fairfield, CEO	Reduced acreage from 11.233 to 10.664 because dedication for ROW was required by city. Replaced self-cleaning ovens with 9' ceilings.	
07306	7/29/10	Zion Village	Houston	Harris	6	Thomas Jones; Newell Hunter; Marvalette Hunter	NRA decreased 5.3%. Other changes did not compensate. Board approved staff's recommendation to deny approval for the changes.	
060414	7/29/10	Gardens of Tomball	Tomball	Harris	6	Comunidad Corporation (GP); Richard Simmons (developer)	Requested to reduce tax credit units from 210 to 189 & garages from 88 to 82; to increase carports from 0 to 36 & open spaces from 227 to 268. Board approved staff's recommendation to deny the requests.	
09721 08273	11/10/10	Four Seasons at Clear Creek	Fort Worth	Tarrant	3	Four Seasons at Clear Creek Ltd.	Requested approval to reduce the development site from 7 acres to 5.92 acres. Site was decreased for right of way requirements of the City of Fort Worth.	
10061	11/10/10	Magnolia Trails	Magnolia	Montgomery	6	Magnolia Trails LP David Koogler	Requested approval to reduce the development site by 1.354 acres and forgo building and maintaining on-site detention pond.	
10198	12/17/10	Pinnacle at North Chase	Tyler	Smith	4	Pinnacle at North Chase LLC Lisa Stephens	Reduction of acreage by 8.5%. Replace high speed internet with covered entries and patios. Increase residential buildings by one.	
07096	12/17/10	Moore Grocery Lofts	Tyler	Smith	4	Landmark Asset Services Inc. Bill Scantland	Reduction of common area by 20%, increase NRA by 3,235, and replace self cleaning oven and covered pavilions with washer/dryer connections in each unit and community library	
07192	12/17/10	Historic Lofts of Waco High	Waco	McLennan	8	Landmark Asset Services Inc. Bill Scantland	Replace gazebo with sitting area and barbecue grills and picnic areas with a covered pavilion including barbecue grills and tables. Addition of one residential building, increase of common area and decrease of NRA by 3.5%. Reduction of parking spaces from 192 to 145	
060202	12/17/10	Beaumont Downtown Lofts	Beaumont	Jefferson	5	Landmark Asset Services Inc. Bill Scantland	Reduction of common area by 41%	

## Housing Tax Credit Program Ownership Transfers / Changes 2010 3rd and 4th Quarters

Dev. No.	Date Approved	Development	City	County	Re g i o n	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner). O=other change
04105	8/19/10	Preston Trace Apts.	Dallas	Dallas	3	N/A	LRJ Consulting, LLC (Co-GP)	R - Co-GP added to the structure.
060206	8/23/10	Gardens of Mabank	Mabank	Kaufman	3	Continental Associates II, Inc. (GP)	Spectrum Mabank GP, LLC (GP)	R - GP removed for defaults. Replaced by non-affiliate.
09211	8/23/10	Corban Townhomes	Corpus Christi	Nueces	10	Bluebonnet Gardens (Sole member of GP)	Corpus Christi Finance Corporation (sole member of GP)	R - Sole member of GP replaced by Affiliate
07246	8/23/10	Lexington Square	Angleton	Brazoria	6	N/A	NHDC Lexington Limited Partner, LLC (LP)	R - Limited Partner interests transferred to affiliate.
96134	8/26/10	The Oaks Apartments	Orange	Orange	5	Three Rivers Manor, Ltd. (O)	Pine-Oaks Partners, Ltd. (O)	S - Development sold to new owner.
10000	9/1/10	Mustang Heights Apartments	Sweetwater	Nolan	2	Wolcott Development, LLC (Owner of GP)	MacDonald & Associates, Inc. (Owner of GP)	R - Owner of the GP changed to non-affiliate. Developer also changed but no approval required for that.
060194	9/1/10	La Vista Apartments	McAllen	Hidalgo	11	N/A	Madhouse Development Servces, Inc. (SLP)	R - Readmitted SLP.
060193	9/1/10	Villa Main	Port Arthur	Jefferson	5	N/A	Madhouse Development Servces, Inc. (SLP)	R - Readmitted SLP.
060417	9/9/10	Artisan at Salado Heights	San Antonio	Bexar	9	Aubra Franklin (SLP)	Franklin Family Investments, Ltd. (SLP)	R - Replaced SLP with an affiliate entity.
04435	9/23/10	Aventine Tarrant Parkway Apartments	Ft. Worth	Tarrant	3	N/A	Aventine 240, LLC (GP)	R - New GP added and old GP moved to Class B LP position.
99-11T	9/23/10	Gateway at Lake Jackson Apartments	Lake Jackson	Brazoria	6	Windcrest/Lake Jackson, Ltd. (O)	Gateway Housing, LLC (O)	S - Development sold to new owner.
04433	10/6/10	Post Oak East	Ft. Worth	Tarrant	3	N/A	246 Post Oak East, LLC (Managing GP)	R - Managing GP added to the structure. Old GP moved to Class B LP position.
98028	10/6/10	Shenandoah Townhomes	Burleson	Johnson	3	Diva Enterprises (GP) owned by Patsy (51%) and Glenn (49%) Lynch	Shenandoah GP, Inc. (GP)	R - GP replaced by an affiliate.
07166	10/6/10	Villas on Calloway Creek	Hurst	Tarrant	3	Jeremiah 20:11, Inc (GP)	Hurst Calloway GP, LLC (GP)	R - GP replaced with an affiliate entity.

**Housing Tax Credit Program Ownership Transfers / Changes  
2010 3rd and 4th Quarters**

Dev. No.	Date Approved	Development	City	County	Re e g i o n	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner). O=other change
05629	10/7/10	Village Park Apartments	Houston	Harris	6	N/A	Summit America Properties XXVI, Inc (Managing GP); Merchant Realty Company, LLC (Part Owner of Managing GP); Merchant Capital Investments, Inc. (Part Owner of Managing GP); Summit America Industries, Inc. (Part Owner of Managing GP)	R - New non-affiliate Managing GP added. Other entities and persons were added to the structure of the Managing GP.
05441	10/15/10	Cobblestone Manor	Ft. Worth	Tarrant	3	Shelter Resource Corp. (GP)	220 Cobblestone GP, LLC (GP)	R - GP replaced with non-affiliate entity.
01459	11/1/10	City Parc at West Oaks	Houston	Harris	6	West Oaks/Finlay Partners III, LLC (GP)	Houston Leased Housing Associates GP II, LLC (GP); Polaris Holdings I, LLC (SLP)	R - GP replaced with non-affiliate entity and SLP added.
94138	11/9/10	Country Park Apartments	Denton	Denton	3	Country Park, LP (O)	Country Park Apts., LP (O)	S - Development sold to non-affiliate entity.
94133	11/9/10	Country Oak Apartments	San Marcos	Hays	7	One Country Oaks, LP (O)	Country Oaks Apts., LP (O)	S - Development sold to non-affiliate entity.
09317 / 10003	12/14/10	Champion Homes at Marina Landing	Galveston	Galveston	6	Chicory GP I, LLC (Owner of GP)	ORH Acquisitions III, LLC (Owner of GP)	R - Owner of GP replaced with an affiliate.
08154 / 09010	12/15/10	Mineral Wells Pioneer Crossing	Mineral Wells	Palo Pinto	3	Noorallah Jooma (LP)	2509 Hubbard, LLC (LP)	R - Limited Partner replaced with a wholly-owned affiliate.
70028 / 94032	12/20/10	Estrada Apartments	Carrollton	Denton	3	Texas-Estrada Apartments, LP (O)	Estrada Apts LLC, CWW Estrada Apartments, LLC and Magnolia Estrada Apartments, LLC (O - Tenants in Common)	S - Sale to non-affiliate.

**MULTIFAMILY FINANCE DIVISION  
EXECUTIVE REPORT  
January 20, 2011**

**Executive Report**

Executive Report of the Status of Applications Awarded Housing Tax Credit Exchange Funds:

Staff is pleased to report that all 89 Exchange Program Subawardees submitted and met the US Treasury Department's 30% Expenditure Test on or before the December 15, 2010 deadline. The information from the submitted reports has been aggregated and included in the Treasury Department's 1602 Quarterly Progress Report.

As of the publication of this report, \$285,245,686 in Exchange funds have been drawn, representing 48.01% of the total Exchange funds.

Staff will continue to report the status of the Exchange program and portfolio to the Board on a monthly basis and advising the Board of any issues that need Board resolution.

**BOND FINANCE DIVISION**

**REPORT OF TDHCA FINANCIAL ADVISOR**

**January 20, 2011**

The Department's financial advisor, Gary Machak, with Raymond James and Associates, Inc., will provide an update on the financial markets.

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## Housing Bond Market Update

TDHCA Board Meeting

January 20, 2011

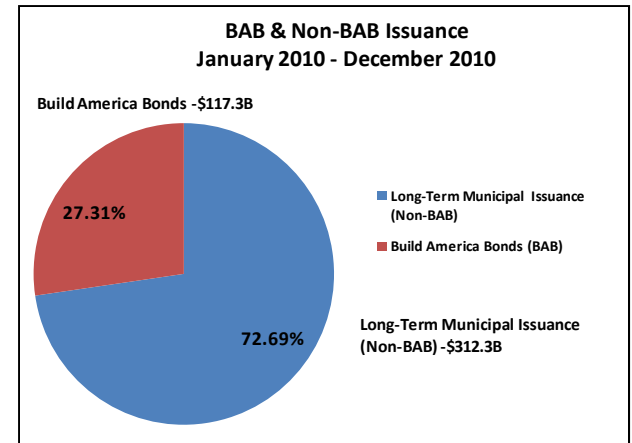
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# Key Market Trends

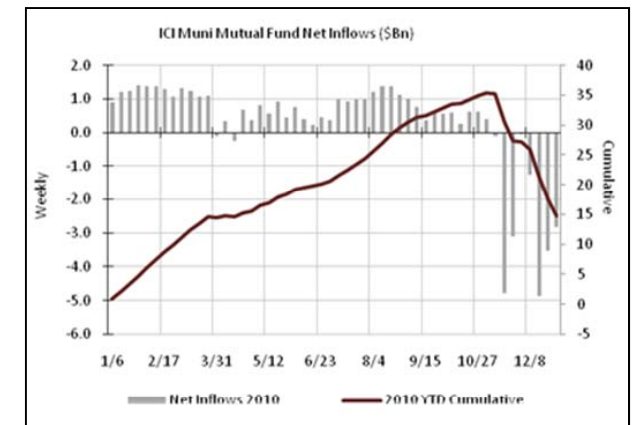
## ▪ The rise (and fall) of Build America Bonds (BABs)

- \$117 billion issued in 2010 (27.3% of municipal issuance)
- Represented 78% of taxable muni's sold
- Record \$44 billion of BABs sold in December
- Expiration of BABs in 2011 is causing significant upward pressure on interest rates



## ▪ Flight from bond funds

- Net outflows from Oct – Dec wiped out 59% of inflows for the entire year
- Trend continues into 2011, pressuring rates upward
- Retail buyers have fled bond market to seek higher returns in the equity markets



## ▪ Other factors to watch

- Headline risk – reports of sovereign, state & local defaults and downgrades
- Credit quality – increased investor focus, especially since last AAA insurer was downgraded
- LOC debt conversion – 110 LOC credits up for renewal, many will be forced into fixed rate or index market
- Fed watch – new elections and deficits reduce likelihood of continued Fed intervention in market



# Market Outlook

- **Expect higher interest rates**

- \$100+ billion of former BAB sellers entering tax-exempt market: *30 – 40 basis point expected*
- Bond fund exodus into equities
- Credit concerns

*Note: higher interest rates can make TDHCA program mortgage rates more competitive*

## Survey of 72 Economists

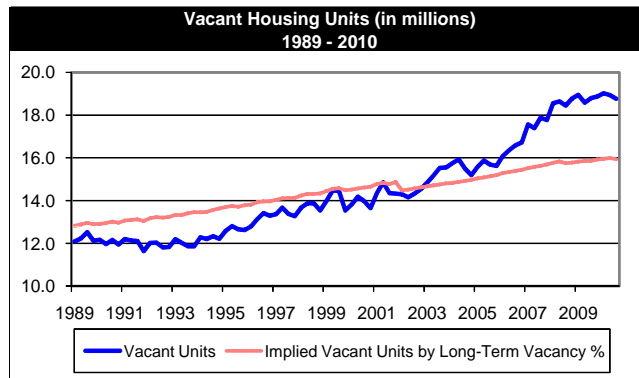
Bloomberg Survey - Interest Rate Forecast						
	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012
<b>Fed Funds Target</b>	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%
<b>3-M LIBOR</b>	0.35%	0.35%	0.44%	0.55%	0.96%	0.88%
<b><u>Treasury Notes</u></b>						
<b>2-Year</b>	0.60%	0.70%	0.85%	1.00%	1.40%	1.50%
<b>10-Year</b>	3.00%	3.18%	3.32%	3.55%	3.81%	4.25%
<b><u>Economic Indicators</u></b>						
	<b>2011</b>	<b>2012</b>				
<b>Real GDP</b>	2.60%	3.20%				
<b>Unemployment</b>	9.40%	8.70%				

Source: Median forecasts for key economic indicators as surveyed by Bloomberg from Dec 9, 2010 - Jan 7, 2011

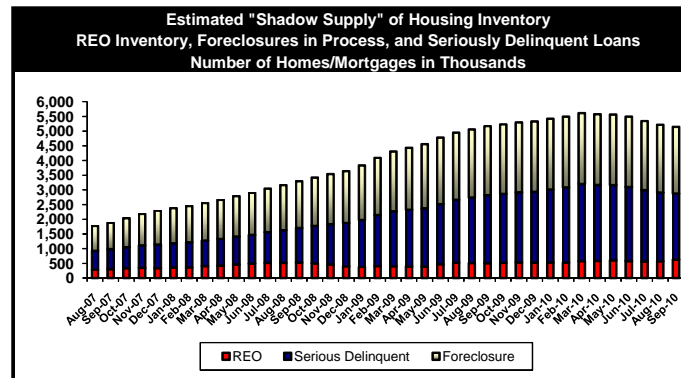
# National Housing Market

## ▪ Slow recovery ahead

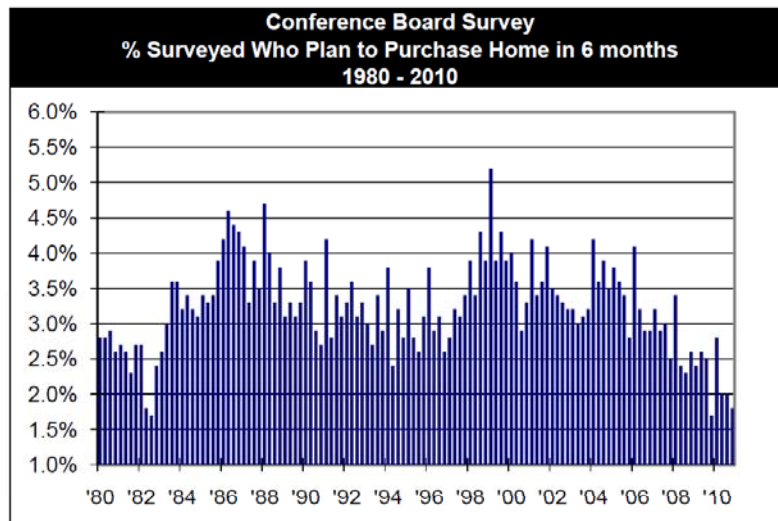
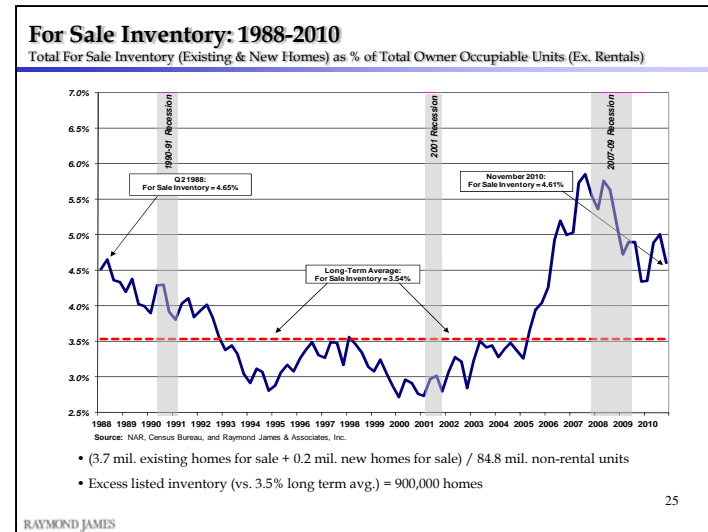
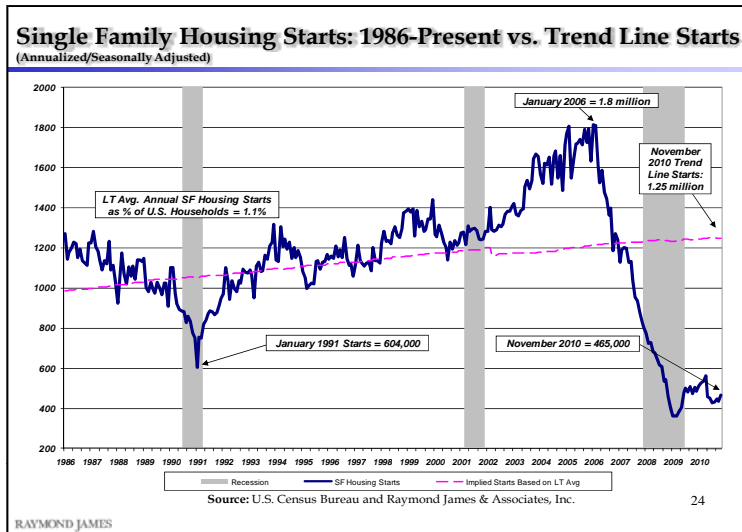
- “Light at end of the tunnel” ... but still a long track ahead
- 2011 is not 1983 (when housing starts jumped 60% vs. 1982 and new home sales surged 51%)
- 2.8 million excess vacant housing units still waiting to be absorbed (vs. 1983 low inventory)
- Mortgage rates have been rising rapidly (vs. 300 bp plunge in 1983 mortgage rates)
- Negative equity situation in 2011 with 23% of households with a mortgage underwater
- Negative demographic shift developing as the growth in 65+ households begins to dramatically outstrip the growth in 25-34-year-olds. (vs. 1983 demographics that strongly favored new homeownership)



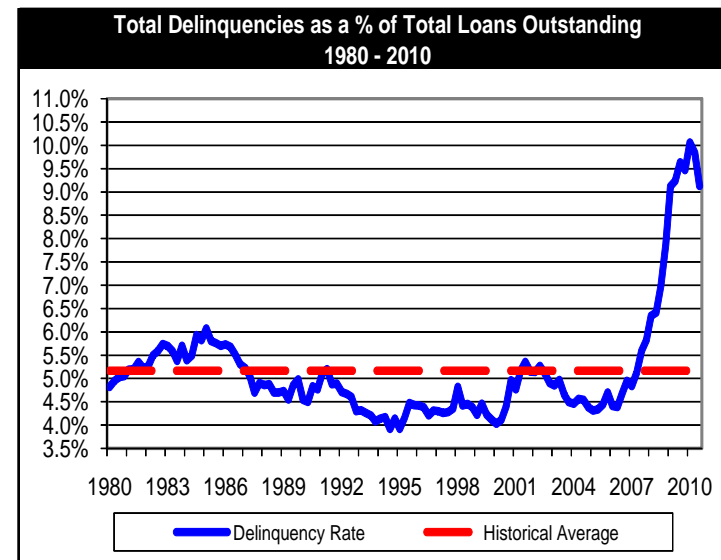
Source: U.S. Census Bureau, Raymond James & Associates, Inc.



# National Housing Market – more evidence of a slow recovery ahead

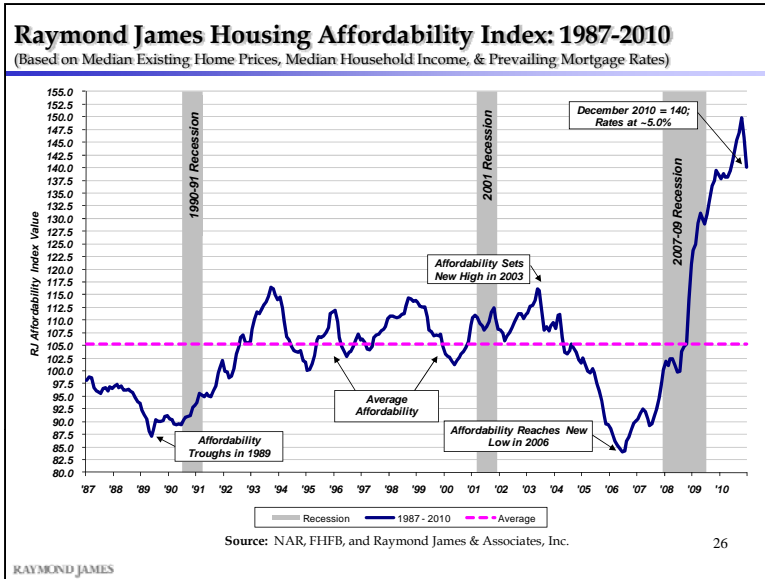


Data as of December 2010.  
Source: Conference Board and Raymond James & Associates, Inc.



# National Housing Market – Some Positive Signs

## Homes are more affordable

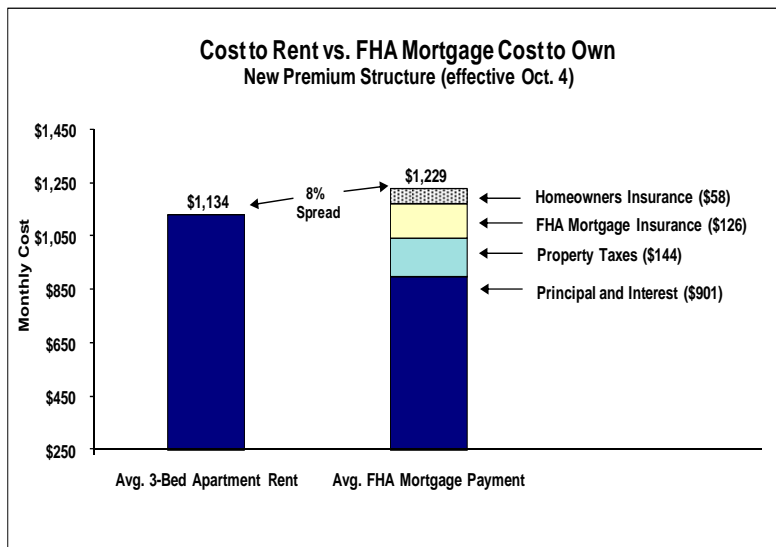
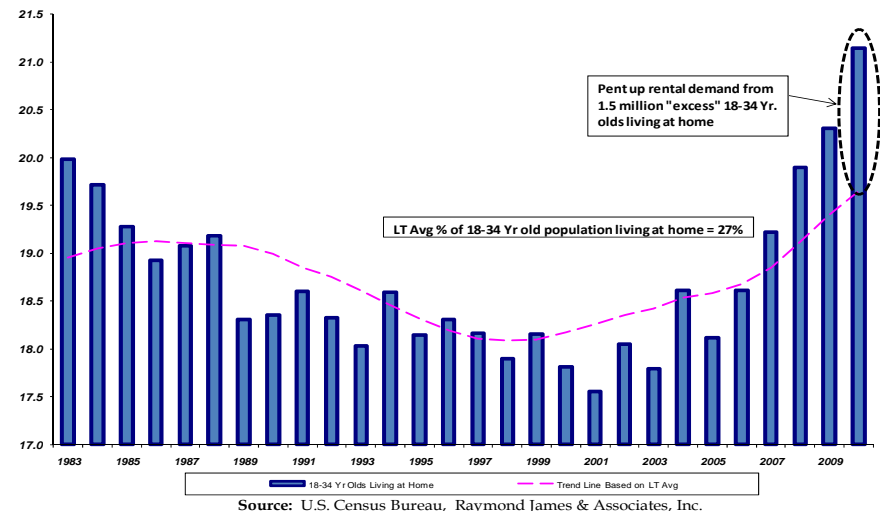


## Multifamily fundamentals are strong

- Record apartment absorption in 2nd half 2010
- Record trough of new construction in past 2 year
- Demographic surge of “echo boomers” reaching their peak rental ages
- Rapid drop in home ownership rates - partially fueled by the 23% of underwater mortgagees
- Potential of 5 million additional future renters as home ownership rates drops

## Young Adults Living at Home: 1983-2010 vs. Trend Line

18-34 Year Olds, in millions



RAYMOND JAMES

Source: REIS, U.S. Census Bureau, National Association of Realtors, Raymond James & Associates, Inc.



# State HFAs and the National Housing Bond Market

- **All State Housing Finance Agencies are experiencing significant challenges from recent Moody's State HFA Medians Report:**
  - Profitability at lowest levels of past five years at 8.3%
  - Single family program profitability declined substantially to 6.2%
  - Increased costs associated with variable rate debt
  - The average HFA balance sheet remains stable
- **Primary causes of profitability decline are: 1) lack of issuance and 2) lower investment earnings**
  - NIBP issuance should alleviate some HFA issues but challenges will remain through at least 2011
- **Other facts and trends**
  - Down payment assistance is #1 driver of success (funding DPA is #1 challenge)
  - Approx. \$12 billion single family and \$3 billion multifamily was escrowed with Treasury NIBP
  - 54% of 2010 single family housing bonds priced in 4<sup>th</sup> quarter *(after extension and rate lock announced)*
  - Limited non-NIBP single family bonds issuance expected
  - Most HFA's locked in 2011 NIPB rates of 2.97% (12/2), 3.01% (12/3), 3.03% (12/4) or 2.95% (12/5)

# Texas Housing Market

- **Texas remains better than the national market**

- Home prices up 3% last month – *year over year comparison*
- Homes more affordable - *median price of \$146,700 is 14% below national median of \$170,600*
- Fewer foreclosures - *1.8% vs. 4.4% nationally*
- Delinquencies about the same - *9.7% vs. 9.4% nationally*

- **Some negatives**

- Major market homes sales down 24% last month - *year over year comparison*
- Inventories rose by 11% last month – *9.5 months of supply compared to 6.6 months supply a year ago*

- **Texas faces fewer headwinds to recovery than most markets**

- Limited foreclosure overhangs
- Highly affordable housing markets
- Business friendly growth policies
- Relatively small percent of borrowers in negative equity situation - *11% vs. 23% nationally*

# TDHCA at a Glance

## ▪ Single Family Housing

- 12,986 loans valued at \$1.1 Billion (8/31/2010)
- Total assets of \$1.68 billion – \$1.55 billion liabilities = \$130 million net assets (8/31/2010 audited)
- Interest rate swaps have been reduced to \$308 million from \$367 million (a 16% reduction) and represent 21% of total single family bonds outstanding
- Liquidity cost of 12bp
- NIBP Program - TDHCA locked in a maximum fixed rate of  $2.97\% + .60\% = 3.57\%$  on 12/2/10

## ▪ Multi-Family Housing

- 105 developments currently outstanding
- Total assets of \$1.303 billion
- Very few new 4% programs – only 6 projects since 2008

# Key Challenges

- **Low conventional loan rates - makes TDHCA loans less competitive**
- **Limited sources of down payment assistance funds accessible to TDHCA**
  - Up to \$25 million needed to provide 5% DPA for \$500 million TDHCA program
  - \$7.5 million of funds currently committed from existing sources including SF & RMRB indentures
  - Another \$6 million may be made available by restructuring warehouse line and MBS sales
  - Additional funds will need to be raised. Possible sources include monetizing subordinate loans, local HFA funding, lines of credit, and/or new sources of State funds
- **Short term investment rates remain very low – creates significant negative arbitrage**
- **Liquidity – keeping existing and/or finding replacement facilities**
- **Rating Agency requirements – significant tightening since 2008**
  - Impacts TDHCA's ability to structure new programs and raise down payment assistance
- **Post NIBP – who will be the buyers of housing bonds in 2012?**



# Next Year and Beyond

- **Proactive cashflow and structuring provided by Raymond James**
  - Improve efficiency and best use of cash
  - Improve bond call strategy
  - Improve management reporting and decision making abilities
  - Optimize new bond structures with all of TDHCA goals in mind
- **Continue to evaluate alternative stable and low cost liquidity (existing or new sources)**
- **Continue to evaluate ways to reduce variable debt and swap exposure**
- **Obtain new sources of DPA funding**
- **Evaluate additional MBS sale opportunities**
  - Existing programs
  - Consider selling the newly issued MBSs instead of issuing bonds if pricing is advantageous
- **Monetizing second mortgages and subordinate assets**
- **Planning for post-NIBP market starting in 2012**

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*The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.*

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# Appendix

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**Item 1** Additional TDHCA Facts and Figures

**Item 2** Housing Comparables 2010 – HFA Bond Issuance

## Raymond James Research Publications

**Item 3** Texas Housing Update

**Item 4** 2010 Year End Municipal Chart Book

**Item 5** Municipal Bond Weekly

## Item 1:

# Additional TDHCA Facts and Figures

# Top Holders of TDHCA Debt

## Top 20 Holders of TDHCA Debt

Managing Firm Name	USDPar (000)	USDNet Change (000)
Federated Investors Inc	56,430	-30,680
Vanguard Group Inc, The	31,546	24,900
Chubb Corp, The	30,720	-2,785
Nuveen Asset Management Inc	25,414	-265
Geneve Corp	17,320	-335
Liberty Mutual Insurance Co	16,095	-2,135
Metropolitan Life Insurance Co (Investments) (MetLife)	12,595	-30
BlackRock Investment Management LLC (Princeton)	12,276	-7,975
Loews Corp	10,255	-535
Capital Research & Management Co (Los Angeles-West)	9,985	-10
American Money Management Corp	8,115	-590
Deutsche Asset Management (DeAM) (Boston)	7,485	-2,515
State Street Global Advisors (SSgA)	7,375	-690
Fountain Capital Management LLC	6,412	-214
MacKay Shields LLC	6,412	-214
Dreyfus Corp, The	6,050	0
BlackRock Financial Management Inc (Fixed-Income)	5,910	-150
PineBridge Investments LLC	5,396	-5,055
Delphi Capital Management Inc	5,375	0
Community Capital Management Inc	4,400	2,995

Source: Thomson Reuters, data as of 1/10/11.

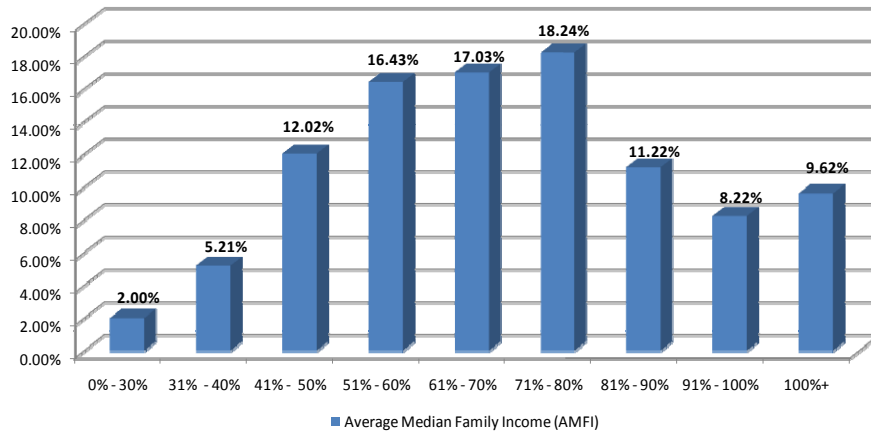
# Recent Trading Activity of TDHCA Bonds

CUSIP	TRADE DATE	PAR	ISSUER NAME	CPN	MTY	YTW	MMD SPD YTW	PRICE
882750JD5	1/10/2011	10	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	5	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	15	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	5	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	25	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	5	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	25	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.323	62	95.7
882750JD5	1/10/2011	90	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	5.516	3/22/1900	93.45
882750FP2	1/7/2011	900	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	5.002	0	100.11
882750FP2	1/7/2011	900	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	5.154	0	100.04
882750KH4	1/4/2011	75	TEXAS ST DEPT HSG & CMNTY SER A	4.85	7/1/2024	4.87	117	99.8
882750KH4	1/4/2011	75	TEXAS ST DEPT HSG & CMNTY SER A	4.85	7/1/2024	4.973	127	98.8
88275FKX6	1/3/2011	5	TEXAS ST DEPT HSG & CMNTY REF-AMT-M	4.95	9/1/2028	0	0	97.35
88275FKX6	1/3/2011	5	TEXAS ST DEPT HSG & CMNTY REF-AMT-M	4.95	9/1/2028	0	0	94.85
88275FKX6	1/3/2011	20	TEXAS ST DEPT HSG & CMNTY REF-AMT-M	4.95	9/1/2028	0	0	97.35
88275FKX6	12/31/2010	20	TEXAS ST DEPT HSG & CMNTY REF-AMT-M	4.95	9/1/2028	5.452	5/3/1900	94.35
88275FKX6	12/31/2010	20	TEXAS ST DEPT HSG & CMNTY REF-AMT-M	4.95	9/1/2028	5.452	124	94.35
882750AW2	12/29/2010	90	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	0	0	98.901
882750AW2	12/29/2010	90	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	0	0	98.375
882750JD5	12/29/2010	25	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	0	0	96.32
882750JD5	12/29/2010	5	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	0	0	94.07
882750JD5	12/29/2010	20	TEXAS ST DEPT HSG & CMNTY AMT-REF-S	5	7/1/2034	0	0	94.07
88275FMR7	12/28/2010	5	TEXAS ST DEPT HSG & CMNTY AMT-MTG-S	5.05	9/1/2022	0	0	100
882750FP2	12/28/2010	15	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	0	1/0/1900	99.667
882750FP2	12/28/2010	15	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	0	0	99.667
882750FP2	12/28/2010	15	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	0	0	99.667
882750AW2	12/28/2010	10	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	0	0	98.902
882750AW2	12/28/2010	10	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	0	0	99.002
882750AW2	12/23/2010	10	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	5.562	110	96.26
882750AW2	12/23/2010	10	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	5.541	108	96.51
88275BCU0	12/22/2010	10	TEXAS ST DEPT HSG & CMNTY HSG-PEBBL	5.6	12/1/2030	5.467	522	100
882750AW2	12/22/2010	90	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	5.562	4/19/1900	96.26
882750AW2	12/22/2010	90	TEXAS ST DEPT HSG & CMNTY SER A	5.25	1/1/2031	5.541	108	96.51
882750FP2	12/22/2010	45	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	5.556	211	97.423
882750FP2	12/22/2010	45	TEXAS ST DEPT HSG & CMNTY SER C	5.25	7/1/2022	5.436	199	98.423
88275FMR7	12/21/2010	15	TEXAS ST DEPT HSG & CMNTY AMT-MTG-S	5.05	9/1/2022	5.049	304	100
88275FMR7	12/21/2010	20	TEXAS ST DEPT HSG & CMNTY AMT-MTG-S	5.05	9/1/2022	5.164	169	99
88275ABL3	12/21/2010	10	TEXAS ST DEPT HSG & CMNTY GNMA COLL	5	6/20/2027	5.068	96	99.25
88275ABL3	12/21/2010	5	TEXAS ST DEPT HSG & CMNTY GNMA COLL	5	6/20/2027	5.068	96	99.25

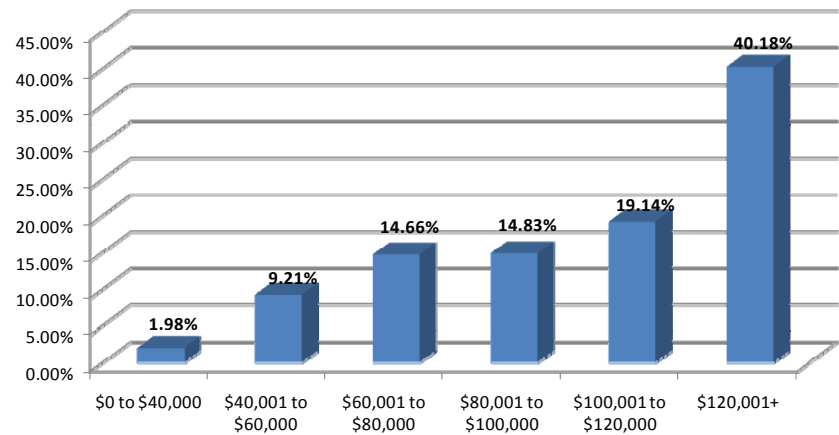
Source: Thomson Reuters, data as of 1/10/11.

# Loan Portfolio Demographics

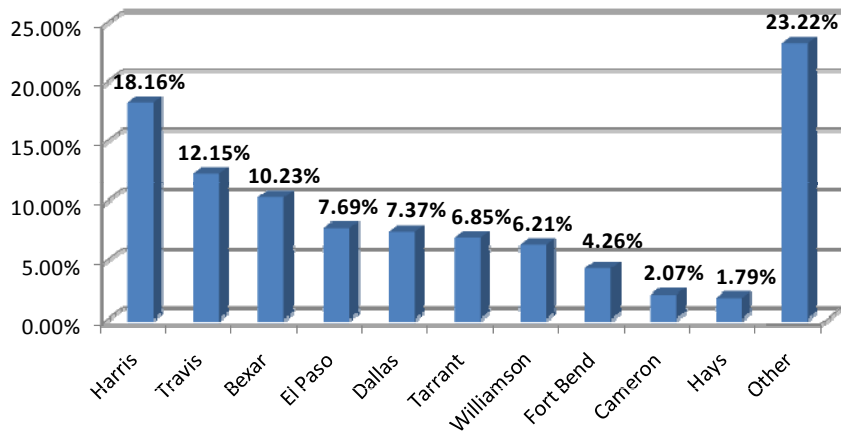
**TDHCA Loan Income Range**



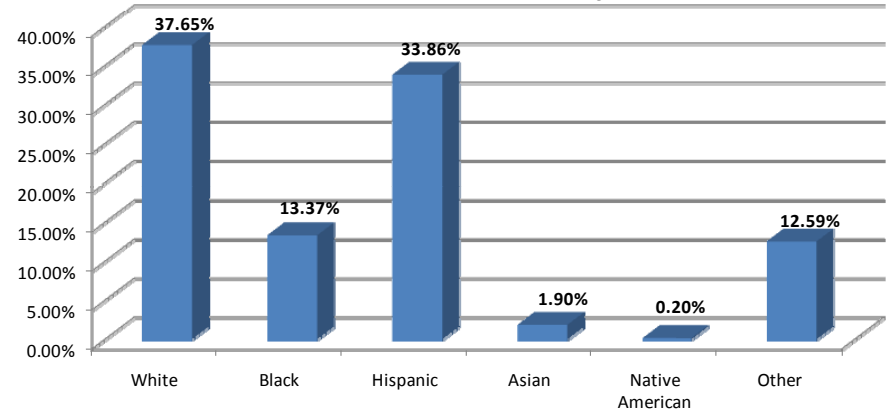
**TDHCA Home Purchase Price Range**



**TDHCA Top 10 Counties**



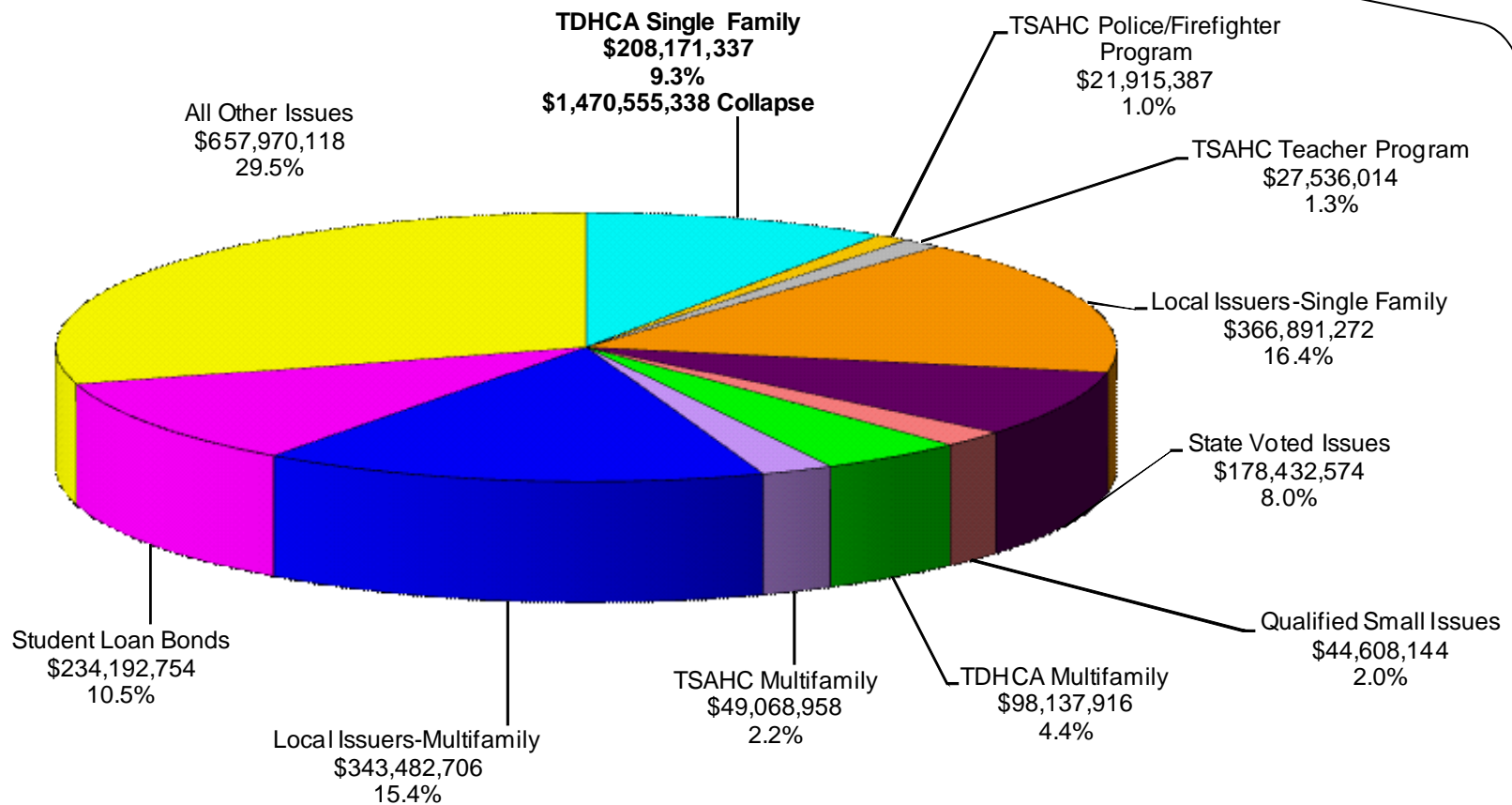
**TDHCA Loan Ethnicity**



# Texas Private Activity Bond Allocation

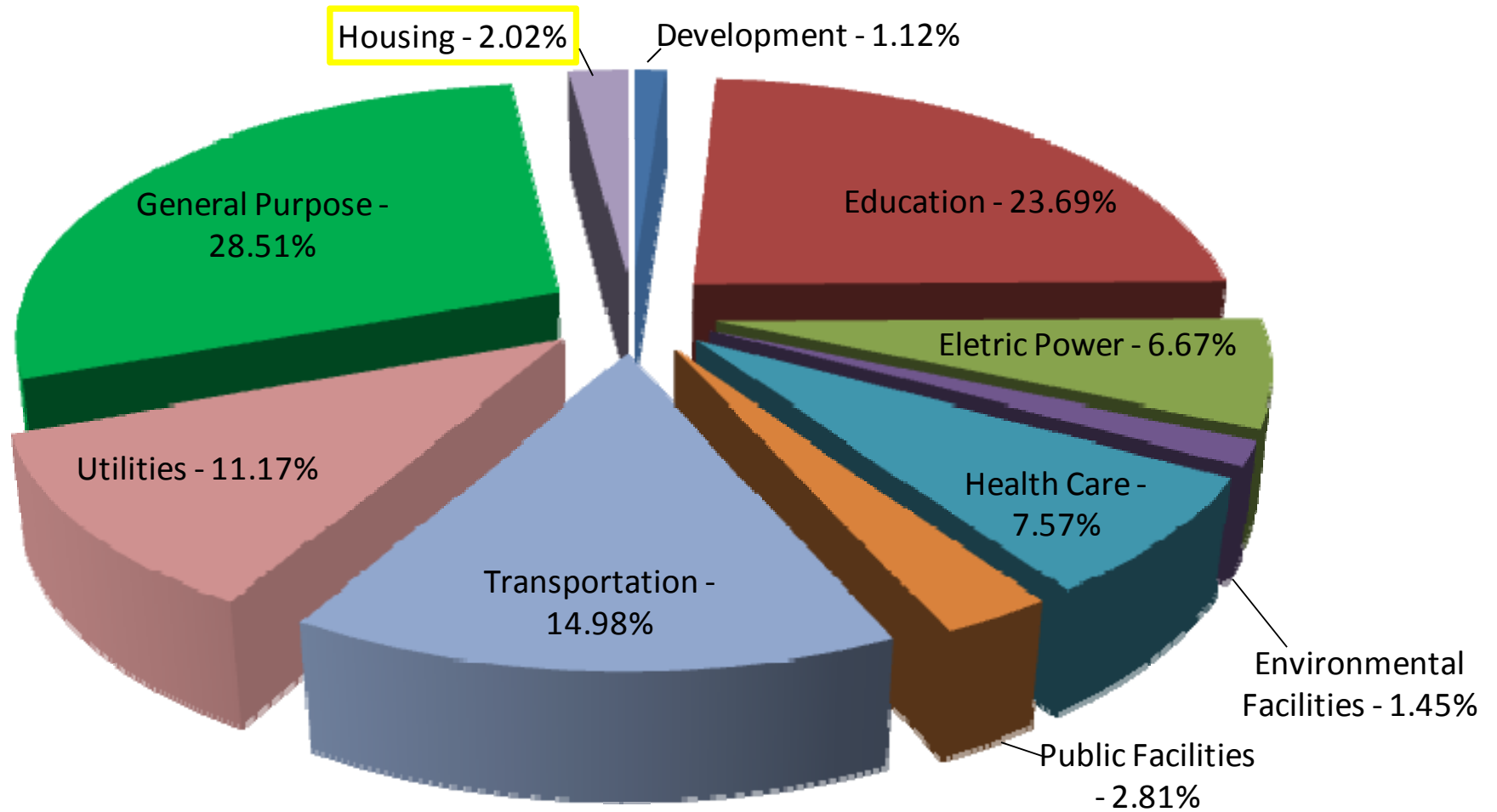
## Actual 2010 Volume Cap

**Single Family = 28%**



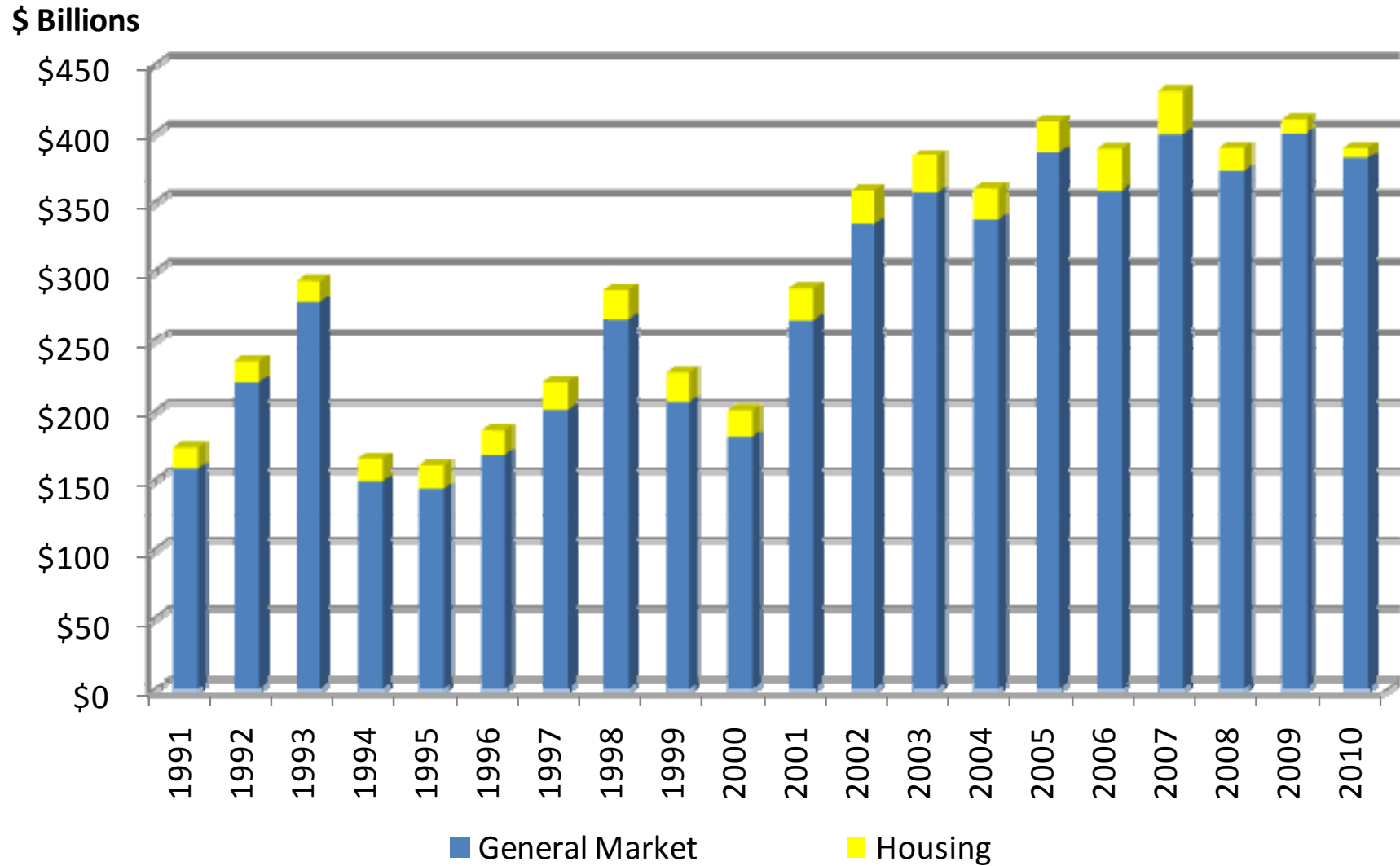


# Purpose of General Financings – 2010 Bonds



Source: The Bond Buyer

# Long-Term Municipal Issuance: 1991-2010



Source: The Bond Buyer

Item 2:  
Housing Comparables 2010 –  
HFA Bond Issuance

**Housing Comparable Index 2010**

<b>Dated Date</b>	<b>Amount</b>	<b>Issuer</b>	<b>Ratings</b>
<b>December*</b>			
12/30/2010	\$ 69,950,000	City of Minneapolis, Minnesota	NR
12/29/2010	\$ 196,425,000	Nebraska Investment Finance Authority	NR/AAA/NR
12/29/2010	\$ 8,175,000	Missouri Housing Development Commission	NR/AA/NR
12/22/2010	\$ 28,940,000	Maine State Housing Authority	Aa1/AA+/NR
12/22/2010	\$ 92,325,000	New York City Housing Development Corporation	Aa2/AA/NR
12/22/2010	\$ 42,775,000	Wisconsin Housing and Economic Development Authority	Aa3/AA/NR
12/22/2010	\$ 50,580,000	Illinois Housing Development Authority	NR/AAA/NR
12/21/2010	\$ 12,000,000	State of Oregon Housing Community Service Department	Aa3/NR/NR
12/20/2010	\$ 12,250,000	Florida Housing Finance Corporation	NR
12/16/2010	\$ 8,000,000	District of Columbia Housing Finance Agency	Aaa
12/16/2010	\$ 30,460,000	New York State Housing Finance Agency	Aa2/NR/NR
12/16/2010	\$ 40,000,000	Maryland Department of Housing and Community Development	Aa2/NR/AA
12/15/2010	\$ 24,000,000	California Housing Finance Agency	Aaa
12/9/2010	\$ 16,000,000	South Carolina State Housing Finance Development Authority	Aaa
<b>November*</b>			
12/29/2010	\$ 61,265,000	Housing Opportunities Commission of Montgomery County, Maryland	Aaa
12/22/2010	\$ 11,235,000	Rhode Island Housing and Mortgage Finance Corporation	Aa2
12/16/2010	\$ 69,955,000	Massachusetts Housing Finance Agency	Aaa
12/16/2010	\$ 21,310,000	Rhode Island Housing and Mortgage Finance Corporation	Aaa
12/9/2010	\$ 50,000,000	Mississippi Home Corporation	Aaa
12/2/2010	\$ 6,880,000	Maryland Department of Housing and Community Development	Aaa
12/2/2010	\$ 14,000,000	Maine State Housing Authority	Aa1/AA+/NR
12/2/2010	\$ 19,700,000	Virginia Housing Development Authority	Aa1/AA+/NR
12/2/2010	\$ 71,220,000	North Dakota Housing Finance Agency	Aa1
12/1/2010	\$ 51,680,000	Maine State Housing Authority	Aa1/AA+/NR
11/30/2010	\$ 5,395,000	Missouri State Housing Development Community	NR/AA/NR
11/24/2010	\$ 14,235,000	Minnesota Housing Finance Agency	Aa1/AA+/NR
11/22/2010	\$ 10,000,000	Nevada Housing Division	AAA
11/19/2010	\$ 18,035,000	Housing Authority of Santa Clara - California	AAA
11/18/2010	\$ 74,725,000	Michigan State Housing Development Authority	AA
11/18/2010	\$ 209,985,000	Massachusetts Housing Finance Agency	Aa3/AA-/AA-
11/18/2010	\$ 44,000,000	State of New York Mortgage Agency	Aaa
11/10/2010	\$ 3,010,000	Florida Housing Finance Corporation	Aaa
11/9/2010	\$ 131,935,000	Connecticut Housing Finance Authority	Aaa/AAA/NR
11/8/2010	\$ 6,000,000	Housing Opportunities Commission of Montgomery County	Aa3
<b>October*</b>			
11/30/2010	\$ 35,175,000	Washington State Housing Finance Commission	Aaa
11/23/2010	\$ 24,000,000	Indiana Housing and Community Development Authority	Aaa
11/10/2010	\$ 40,000,000	Tennessee Housing Development Agency	Aa2
11/9/2010	\$ 16,425,000	Oregon Housing and Community Services Department	Aaa
11/4/2010	\$ 20,000,000	Rhode Island Housing and Mortgage Finance Corporation	Aa2
11/3/2010	\$ 13,840,000	Utah Housing Corporation	Aaa
11/2/2010	\$ 6,000,000	Housing Finance Authority of Pinellas County, Florida	Aaa
11/2/2010	\$ 20,800,000	Iowa Finance Authority	Aaa
11/1/2010	\$ 20,000,000	Florida Housing Finance Corporation	Aaa
11/1/2010	\$ 20,000,000	Louisiana Housing Finance Agency	Aaa
11/1/2010	\$ 12,000,000	Idaho Housing & Finance Association	Aaa/NR/AAA
10/29/2010	\$ 70,000,000	Virginia Housing Development Authority	Aaa/AAA
10/28/2010	\$ 64,445,000	Massachusetts Housing Finance Agency	Aa2/AA/NR
10/28/2010	\$ 66,670,000	Connecticut Housing Finance Authority	NR/AAA/NR
10/28/2010	\$ 28,000,000	Wyoming Community Development Authority	Aa2
10/28/2010	\$ 16,000,000	North Dakota Housing Finance Agency	Aa3
10/28/2010	\$ 8,610,000	Missouri Housing Development Commission	AA
10/27/2010	\$ 6,000,000	Orange County Housing Finance Authority	Aaa
10/27/2010	\$ 36,000,000	Delaware State Housing Authority	Aaa
10/27/2010	\$ 30,000,000	South Dakota Housing Development Authority	Aa3
10/27/2010	\$ 12,000,000	Vermont Housing Finance Agency	Aaa/AAA
10/26/2010	\$ 89,085,000	New York City Housing Development Corporation	Aa2/AA
10/26/2010	\$ 40,560,000	Carson Redevelopment Agency	A-
10/21/2010	\$ 32,135,000	New York State Housing Finance Agency	Aa2
10/19/2010	\$ 75,880,000	Connecticut Housing Finance Authority	Aa2/AA/NR
10/1/2010	\$ 68,155,000	Utah Housing Corporation	Aaa/Aa2/Aa3

<b>September*</b>			
10/21/2010	\$ 72,000,000	Minnesota Housing Finance Agency	Aaa
10/21/2010	\$ 88,915,000	New Jersey Housing & Mortgage Finance Agency	A+
10/20/2010	\$ 28,000,000	New Mexico Mortgage Finance Authority	AAA
10/14/2010	\$ 354,000,000	Pennsylvania Housing Finance Agency	
10/14/2010	\$ 24,000,000	Georgia Housing Finance Agency	AAA
10/14/2010	\$ 49,600,000	Maine State Housing Authority	A1/A+
10/13/2010	\$ 120,700,000	Tennessee Housing Development Agency	Aa1/AA+
10/7/2010	\$ 38,405,000	Virginia Housing Development Authority	Aa1/AA+
10/5/2010	\$ 8,350,000	Housing Finance Authority of Lee County, FL	NR
9/30/2010	\$ 78,810,000	Alaska Housing Finance Corporation	Aaa/AAA/AAA
9/30/2010	\$ 72,885,000	State of New York Mortgage Agency	Aaa
9/29/2010	\$ 16,730,000	Maryland Community Development Administration	Aaa
9/23/2010	\$ 20,000,000	New Hampshire Housing Finance Authority	Aa3
9/20/2010	\$ 5,250,000	Florida Housing Finance Corporation	NR
<b>August*</b>			
8/26/2010	\$ 33,000,000	Virginia Housing Development Authority	Aa1/AA+
8/18/2010	\$ 24,600,000	New York State Housing Finance Agency	Aa2
<b>July*</b>			
8/5/2010	\$ 33,000,000	City of Chicago	AAA
8/24/2010	\$ 96,440,000	State of Oregon Housing and Community Services Department 2010 A, B & C	Aa2
8/24/2010	\$ 130,870,000	West Virginia Housing Development Fund 2010 A, B & C	Aaa/AAA
8/12/2010	\$ 116,000,000	Kentucky Housing Authority 2010 B, C, D & E	Aaa/AAA
7/29/2010	\$ 24,000,000	Maine State Housing Authority	Aa1/AA+
<b>June*</b>			
7/28/2010	\$ 11,790,000	Virginia Housing Development Authority	Aa1/AA+
7/8/2010	\$ 45,800,000	New York State Housing Finance Agency	Aa2
7/1/2010	\$ 40,000,000	South Carolina State Housing Finance and Development Authority	Aaa
6/30/2010	\$ 34,710,000	Wyoming Community Development Authority	
6/29/2010	\$ 96,120,000	New York City Housing Development Corporation	
6/29/2010	\$ 40,000,000	Washington State Housing Finance Commission	Aaa
6/24/2010	\$ 28,815,000	Massachusetts Housing Finance Agency	Aa3/AA-/AA-
6/9/2010	\$ 5,100,000	New Mexico Mortgage Finance Authority	A
<b>May*</b>			
6/23/2010	\$ 90,000,000	Florida Housing Finance Corporation	Aaa
6/17/2010	\$ 32,000,000	North Dakota Housing Finance Agency	Aa3
6/17/2010	\$ 74,710,000	Tennessee Housing Development Agency	Aa2
6/16/2010	\$ 40,000,000	Missouri Housing Development Commission	AAA
6/9/2010	\$ 28,465,000	Maryland Community Development Administration	Aa2/AA
5/27/2010	\$ 6,900,000	Community Development Administration, Maryland	Aa2
5/27/2010	\$ 27,350,000	Yonkers Economic Development Corporation	AAA
5/13/2010	\$ 250,000,000	Massachusetts Housing Finance Agency	Aa3/AA-/AA-
5/12/2010	\$ 14,815,000	New York City Housing Development Corporation	Aa2/AA
<b>April*</b>			
5/6/2010	\$ 80,000,000	State of New York Mortgage Agency	Aaa
5/4/2010	\$ 12,375,000	Housing Opportunities Commission of Montgomery County	
5/1/2010	\$ 28,000,000	Utah Housing Corporation	Aaa/AAA/AAA
<b>March*</b>			
4/27/2010	\$ 22,750,000	Virginia Housing Development Authority	Aa1/AA+
4/1/2010	\$ 40,000,000	Kentucky Housing Corporation	Aaa/AAA
3/31/2010	\$ 140,210,000	Pennsylvania Housing Finance Agency	Aa2/AA+
<b>February*</b>			
3/23/2010	\$ 21,005,000	Virginia Housing Development Authority	Aa1/AA+
2/25/2010	\$ 275,000,000	Connecticut Housing Finance Authority	Aaa/AAA
<b>January*</b>			
2/10/2010	\$ 107,330,000	Virginia Housing Development Authority	Aa1/AA+

\*Month of Sale Date

Item 3:

Texas Housing Update

*Raymond James Research*

## Real Estate

December 23, 2010

## Industry Brief

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## Housing: Industry Tidbit

## Texas Housing Update: November Sales Drop 24% Y/Y, Median Price Rises 3% Y/Y

- ◆ **Sales fall 24% y/y.** Existing home sales in Texas fell 24% y/y in November. This was less severe than the 27% y/y decline posted in October, despite a much more challenging year-ago comparison (+41% y/y versus a +16% y/y comparison in October 2009). In our view, the less severe y/y sales decline is a sign that buying activity is stabilizing in Texas. Statistics from local sources also point toward stabilization, with pending sales in the Dallas area only falling 12% y/y (versus -26% y/y last month). Likewise, Houston area pending sales fell just 6% y/y in November (versus -23% y/y in October). San Antonio pending sales actually ticked up 1% y/y. Looking back, we believe the two rounds of federal tax credits had a more substantial effect in Texas than the nation as a whole, given that \$8,000 represents a much higher percentage of the state's median home price than other regions. With year-ago comparisons moderating over the next few months, we believe y/y sales results could once again turn positive in early 2011, before again lapping tough y/y comparisons generated by the second round of tax credits later in the spring.
- ◆ **Major market sales down 24% y/y.** Transaction activity in the four largest markets for public homebuilders (Austin, Dallas, Houston, and San Antonio) posted a decline in-line with the state as a whole, falling 24% y/y (as compared to a -29% y/y comparison in October). Drilling down, sales in Dallas dropped 27% y/y, whereas Houston fell 23% y/y. Additionally, Austin sales slipped 22% y/y, after falling 33% in October. San Antonio continues to register some of the least severe y/y declines among the major housing markets, but was still down 22% y/y in November. We believe home sales in the San Antonio market have been partially buoyed by military transfers and the Defense Base Closure and Realignment Commission (BRAC) initiative.
- ◆ **Inventory rises by 11% y/y.** November listings in Texas were up 11% y/y, but we were encouraged to see inventory fall 4% from October to 129,563 units, in-line with the average seasonal sequential decline. For context, Texas listings represent 7.6 months of supply, which is up from 6.6 months of supply reported in November 2009, but still well-below the 9.5 months of existing home supply reported nationally as of November. Nevertheless, in all of the key markets existing home inventory posted increases from year-ago levels. The largest y/y increase among the major markets continues to be reported in Houston, where inventory grew by 18% y/y. Elsewhere, listings increased y/y for the ninth consecutive month in Austin, ticking up 1% y/y. San Antonio listings grew by 6% y/y, while Dallas inventory rose 13%, its sixth consecutive y/y increase.
- ◆ **Median home price increases 3% y/y.** After posting a 2% y/y increase in October, the median home price improved 3% y/y in November. Over the last 12 months, y/y median price comparisons have oscillated in a narrow range between -2% and +3%. In our view, this suggests that prices have remained stable (in the context of normal seasonality). Looking ahead, we believe fewer distressed listings in the near-term (due to the various foreclosure moratoriums) and normal seasonal declines in listed inventory should help keep prices stable. Moreover, at a median price of \$146,700, Texas' existing home prices are 14% below the November national median price of \$170,600 (+0.4% y/y). Thus, in our view, Texas will not experience nearly the level of price declines seen in markets flooded with distressed property, even once foreclosure activity reaccelerates. On a local level, Dallas and Austin each reported a median home price increase of 3% y/y in November, while the median price in Houston remained flat. Elsewhere, San Antonio saw the median home price rise a relatively robust 8% y/y.
- ◆ **Foreclosures are far fewer in Texas.** Third quarter mortgage delinquency data from the Mortgage Bankers Association revealed only 1.8% of loans (~65,900 mortgages, by our estimates) in the state were in foreclosure, versus 4.4% nationally. While slightly above the rest of the nation, the level of implied future foreclosure activity is still far less threatening than many other key states for the homebuilders. Specifically, 9.7% of Texas mortgages were delinquent versus 9.4% nationally and 10-13% in the states hardest hit by the foreclosure crisis. Additionally, according to Lender Processing Services, the "non-current" rate (delinquency rate + foreclosure rate) in Texas for October remained below the national average (11.1% versus 13.2%).
- ◆ **Texas faces fewer headwinds than most markets.** In our view, once a sustained recovery is underway, those homebuilders with a substantial presence in the area will ultimately benefit from Texas' 1) limited foreclosure overhang; 2) highly affordable housing markets; 3) business-friendly growth policies; and 4) relatively small percentage of borrowers in a negative equity situation. Specifically, based on data from First American Core Logic, only 11.2% of properties with a mortgage are "underwater" in Texas as of September (versus 22.5% nationally). Additionally, after ending its streak of 16 straight months of y/y declines in employment in May, job growth continued to accelerate in Texas during November. Specifically, based on seasonally adjusted data provided by the Bureau of Labor Statistics, Texas payrolls rose by 192,100 jobs, or 1.9% y/y.

Please read domestic and foreign disclosure/risk information beginning on page 5 and Analyst Certification on page 5.

- ◆ **Builder Exposure.** For reference, as a percentage of their total 2009 unit closing volumes, Meritage, Ryland, and Lennar have the largest respective exposures to Texas.

Texas - Closings By Builder		
Company	% of Total Closings	2009 Texas Closings (Est.)
Meritage Homes	61%	2,482
The Ryland Group	28%	1,461
Lennar Corp.	28%	3,259
D.R. Horton	28%	5,078
Hovnanian Enterprises	27%	1,518
KB Home	25%	2,129
PulteGroup	17%	3,683
Taylor Morrison	9%	295
Standard Pacific Corp.	6%	220

Source: *Builder Magazine* and Raymond James.

Texas Home Sales													
% Change YoY	2009		2010										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
State-wide	41%	1%	-5%	-2%	16%	26%	18%	-1%	-27%	-15%	-19%	-27%	-24%
Abilene	38%	6%	3%	-13%	1%	2%	38%	-10%	-1%	-6%	-11%	-26%	-7%
Amarillo	88%	20%	-29%	-1%	0%	29%	35%	-11%	-28%	0%	-18%	-19%	-49%
Arlington	37%	-2%	-2%	6%	15%	24%	24%	-15%	-40%	-25%	-21%	-35%	-28%
Austin	59%	5%	7%	4%	30%	30%	22%	-4%	-29%	-16%	-30%	-33%	-22%
Bay Area	54%	-7%	-21%	-14%	10%	18%	29%	-11%	-26%	-22%	-22%	-18%	-27%
Beaumont	-10%	-15%	-36%	-22%	-1%	14%	11%	-1%	-21%	-7%	-15%	-9%	9%
Brazoria County	18%	9%	-18%	33%	31%	41%	-11%	-8%	30%	7%	-1%	-19%	-31%
Brownsville	11%	-20%	19%	9%	50%	-30%	35%	-14%	-34%	28%	NA	-36%	-21%
Bryan-College Station	41%	-2%	2%	18%	17%	27%	6%	-5%	-38%	-21%	-5%	-31%	-32%
Collin County	53%	1%	-18%	-10%	9%	32%	15%	-12%	-30%	-23%	-30%	-33%	-24%
Corpus Christi	39%	8%	-11%	-2%	7%	24%	14%	-3%	-10%	0%	-6%	-25%	12%
Dallas	35%	0%	-9%	-10%	9%	25%	16%	-4%	-33%	-20%	-25%	-31%	-27%
Denton County	51%	6%	1%	-16%	15%	45%	32%	-13%	-43%	-23%	-23%	-30%	-32%
El Paso	57%	22%	-17%	11%	17%	38%	29%	53%	-13%	-10%	-5%	-23%	-31%
Fort Bend	47%	-4%	-12%	-5%	17%	22%	12%	-5%	-21%	-15%	-15%	-30%	-30%
Fort Worth	50%	-3%	-2%	3%	12%	27%	12%	5%	-34%	-15%	-19%	-35%	-24%
Galveston	74%	24%	-44%	-3%	32%	21%	87%	-20%	5%	23%	14%	15%	28%
Garland	55%	-1%	-7%	-19%	11%	37%	30%	-2%	-33%	-34%	-14%	-40%	-39%
Harlingen	9%	24%	52%	2%	48%	4%	-4%	NA	-12%	-25%	NA	-24%	-25%
Houston	36%	-2%	-9%	-3%	12%	27%	20%	1%	-26%	-16%	-19%	-26%	-23%
Irving	51%	19%	10%	-3%	28%	40%	34%	-15%	-34%	-10%	-25%	-28%	-36%
Killeen-Fort Hood	NA	-10%	22%	22%	10%	21%	22%	45%	13%	-28%	-7%	-19%	-39%
Longview-Marshall	51%	-1%	22%	-12%	23%	64%	19%	11%	-29%	22%	-7%	-10%	-30%
Lubbock	70%	-13%	4%	-22%	22%	11%	-2%	-16%	-35%	-13%	-24%	-26%	-34%
Lufkin	105%	-10%	7%	-21%	-2%	11%	-15%	2%	-22%	-13%	-22%	-26%	-5%
McAllen	36%	-1%	5%	2%	43%	44%	8%	-14%	-11%	1%	-31%	-25%	7%
Montgomery County	46%	7%	-1%	7%	12%	37%	17%	7%	-20%	-7%	-16%	-18%	-6%
Nacogdoches	15%	25%	79%	NA	9%	79%	78%	-19%	-51%	54%	NA	-30%	7%
Northeast Tarrant County	43%	-4%	5%	1%	19%	38%	23%	-7%	-28%	-24%	-19%	-36%	-25%
Paris	50%	-17%	44%	-38%	-18%	-3%	-22%	35%	-31%	-19%	-7%	-28%	-27%
Port Arthur	-33%	-49%	-36%	-21%	0%	-11%	-18%	-24%	-40%	-33%	-25%	-16%	-14%
San Angelo	36%	-6%	-17%	-13%	16%	27%	-9%	-4%	-21%	-10%	-6%	-18%	-17%
San Antonio	55%	5%	-2%	6%	26%	24%	18%	-2%	-26%	-11%	-11%	-27%	-22%
Sherman-Denison	56%	1%	11%	17%	27%	11%	31%	-16%	-10%	5%	-10%	-24%	-18%
Temple-Belton	69%	2%	5%	-10%	40%	6%	0%	-10%	-20%	-19%	-28%	-29%	-26%
Texarkana	24%	-14%	NA	17%	77%	49%	5%	-18%	4%	-1%	18%	-13%	-10%
Tyler	36%	11%	7%	2%	8%	43%	31%	-12%	-22%	-15%	-19%	-26%	-30%
Victoria	4%	-21%	29%	33%	10%	28%	60%	-12%	-12%	-19%	15%	-12%	10%
Waco	37%	11%	NA	-11%	14%	37%	21%	-16%	-22%	-34%	-25%	-16%	-6%
Wichita Falls	51%	-14%	1%	-27%	16%	18%	9%	-19%	-35%	-5%	25%	-4%	-25%

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.



Texas Median Price													
% Change YoY	2009		2010										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
State-wide	4%	3%	3%	2%	3%	3%	-1%	-2%	1%	2%	0%	2%	3%
Abilene	14%	1%	20%	1%	8%	-9%	-6%	7%	1%	13%	10%	16%	-25%
Amarillo	6%	-1%	3%	-3%	-6%	-3%	-6%	11%	1%	4%	7%	1%	6%
Arlington	4%	2%	0%	-1%	5%	3%	3%	-1%	1%	2%	2%	-3%	-1%
Austin	-2%	4%	-1%	-3%	0%	-1%	-2%	3%	13%	4%	4%	8%	3%
Bay Area	5%	3%	17%	3%	5%	2%	-1%	-1%	0%	3%	1%	4%	-4%
Beaumont	-7%	-5%	30%	4%	-11%	-6%	-12%	-15%	-2%	-1%	-8%	6%	21%
Brazoria County	1%	-5%	-6%	-5%	1%	-10%	-8%	-7%	-3%	-13%	6%	-3%	11%
Brownsville	14%	36%	-13%	1%	5%	25%	10%	11%	-1%	8%	NA	NA	NA
Bryan-College Station	7%	6%	-2%	18%	-2%	6%	1%	1%	1%	0%	-2%	8%	7%
Collin County	-3%	4%	4%	-1%	2%	-2%	-4%	9%	8%	8%	8%	7%	17%
Corpus Christi	6%	3%	-3%	-11%	13%	13%	0%	2%	-3%	8%	-5%	-1%	0%
Dallas	5%	2%	2%	2%	6%	8%	-1%	1%	3%	3%	0%	2%	3%
Denton County	2%	3%	8%	-3%	3%	2%	-2%	4%	6%	4%	2%	5%	7%
El Paso	-1%	-1%	3%	-4%	-5%	3%	5%	-1%	3%	6%	5%	3%	2%
Fort Bend	8%	5%	15%	6%	11%	4%	-2%	7%	0%	1%	4%	11%	8%
Fort Worth	2%	1%	0%	-1%	7%	3%	6%	-4%	-3%	2%	-2%	0%	-7%
Galveston	-7%	14%	58%	89%	49%	80%	19%	8%	25%	30%	-11%	14%	36%
Garland	11%	0%	-13%	-6%	13%	5%	-5%	-6%	-8%	-13%	-4%	-10%	-18%
Harlingen	-7%	-11%	-2%	-14%	-21%	-13%	31%	NA	-17%	3%	NA	-8%	1%
Houston	10%	4%	8%	6%	5%	2%	-2%	-4%	-2%	-1%	-1%	1%	0%
Irving	9%	1%	1%	-3%	-16%	29%	15%	0%	-5%	-5%	37%	5%	-26%
Killeen-Fort Hood	NA	-2%	0%	-2%	-5%	7%	3%	11%	2%	1%	7%	-2%	1%
Longview-Marshall	0%	1%	8%	1%	4%	-6%	-1%	3%	10%	-1%	1%	5%	2%
Lubbock	3%	0%	0%	-2%	1%	0%	3%	1%	3%	-3%	14%	-1%	11%
Lufkin	-11%	4%	-8%	-11%	11%	-21%	3%	9%	8%	33%	3%	1%	26%
McAllen	2%	12%	3%	7%	-1%	17%	8%	1%	13%	11%	-2%	-4%	3%
Montgomery County	3%	6%	9%	3%	6%	-4%	-5%	-6%	-2%	-5%	14%	9%	8%
Nacogdoches	11%	8%	-38%	NA	7%	6%	-8%	1%	39%	19%	NA	-2%	-5%
Northeast Tarrant County	-2%	-4%	20%	0%	3%	1%	2%	1%	12%	8%	12%	7%	2%
Paris	9%	0%	98%	24%	-28%	87%	-12%	8%	-11%	-7%	-5%	23%	-47%
Port Arthur	12%	-28%	10%	-19%	-17%	-22%	-29%	-27%	-21%	-19%	-19%	18%	-24%
San Angelo	5%	-13%	-19%	13%	-12%	2%	9%	7%	-2%	-2%	7%	-8%	17%
San Antonio	-1%	4%	-5%	-1%	-1%	-4%	-3%	-3%	1%	8%	3%	7%	8%
Sherman-Denison	5%	4%	27%	42%	2%	7%	4%	10%	-13%	-27%	-28%	-1%	-13%
Temple-Belton	-6%	-10%	-15%	-11%	7%	1%	12%	15%	-12%	-1%	5%	0%	-11%
Texarkana	23%	23%	NA	23%	-40%	3%	1%	43%	8%	-6%	27%	-10%	3%
Tyler	4%	-2%	20%	-3%	3%	0%	7%	0%	3%	10%	-6%	0%	2%
Victoria	2%	11%	-2%	-23%	13%	0%	-17%	2%	4%	-3%	-15%	-4%	9%
Waco	4%	8%	NA	13%	4%	-1%	-5%	1%	1%	21%	-15%	18%	24%
Wichita Falls	-2%	27%	-3%	-7%	-1%	4%	8%	15%	-10%	-12%	-17%	1%	-12%

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.

Texas Months Supply													
	2009		2010										
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
State-wide	6.6	6.3	6.6	6.8	7.1	7.0	7.5	7.6	8.0	8.0	7.9	7.8	7.6
Abilene	5.4	5.2	6.4	6.1	6.3	6.3	6.5	6.7	6.6	6.8	6.6	6.4	6.4
Amarillo	5.9	5.4	5.7	5.8	6.4	6.3	NA	6.1	7.0	6.8	6.8	6.8	6.2
Arlington	4.8	4.7	4.9	5.2	5.2	5.0	5.3	6.0	6.4	6.3	6.3	6.0	5.9
Austin	5.7	5.4	5.7	6.2	6.7	6.7	6.9	7.2	7.4	7.1	6.8	6.5	6.0
Bay Area	7.7	7.5	8.0	8.6	9.3	9.2	9.5	10.2	10.7	10.6	10.5	10.4	10.3
Beaumont	9.0	8.9	9.5	10.0	10.6	10.6	10.9	11.1	11.7	11.6	11.7	11.5	11.2
Brazoria County	9.0	8.7	9.2	9.1	9.1	8.6	8.9	9.2	9.6	9.9	10.0	10.2	10.5
Brownsville	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bryan-College Station	6.4	6.1	7.1	7.8	8.5	10.5	8.4	8.4	9.1	9.1	8.8	8.9	9.0
Collin County	4.4	4.2	4.5	4.9	5.2	5.1	5.3	5.6	6.1	6.1	6.0	5.9	5.6
Corpus Christi	10.4	10.1	9.4	9.7	9.8	NA	10.0	10.5	10.8	11.2	11.0	10.5	10.4
Dallas	5.6	5.3	5.7	6.1	6.3	6.2	6.5	6.8	7.2	7.2	7.2	7.1	6.9
Denton County	5.1	4.8	5.2	5.6	5.8	5.5	5.7	6.2	6.8	6.7	6.5	6.4	6.3
El Paso	8.1	NA	7.5	7.4	7.3	6.8	NA	6.8	6.8	6.9	6.9	7.0	7.0
Fort Bend	4.5	4.3	4.6	4.8	5.1	5.0	5.5	6.0	6.3	6.4	6.3	6.3	6.3
Fort Worth	6.3	6.2	6.4	6.5	6.5	6.4	6.7	6.9	7.3	7.3	7.3	7.2	7.1
Galveston	18.7	16.1	18.1	19.1	22.8	19.7	17.3	21.9	22.0	18.8	17.4	18.0	15.3
Garland	4.5	4.4	4.7	5.3	5.2	4.9	4.9	5.5	6.0	6.2	6.5	6.3	6.1
Harlingen	30.4	NA	28.3	NA	NA	26.5	26.3	NA	25.5	26.2	NA	27.1	26.6
Houston	6.3	6.0	6.3	6.6	6.9	6.7	7.0	7.5	7.9	8.0	7.9	7.9	7.8
Irving	7.0	6.5	6.9	6.9	7.2	6.9	7.4	7.8	8.3	8.3	7.9	7.8	7.8
Killeen-Fort Hood	6.9	6.9	7.0	7.6	5.9	5.8	7.9	7.7	7.7	7.8	7.6	7.5	7.9
Longview-Marshall	8.3	8.0	8.6	8.9	9.4	9.1	9.3	9.2	9.3	9.1	9.1	8.8	9.0
Lubbock	5.1	4.9	5.3	5.6	5.7	5.6	5.9	6.5	7.0	7.4	7.3	7.4	7.3
Lufkin	NA	NA	NA	NA	NA	NA	NA	8.6	9.3	9.4	9.3	9.0	9.2
McAllen	13.5	12.6	13.5	13.1	11.8	NA	14.4	12.3	12.5	12.5	12.7	12.9	13.9
Montgomery County	6.7	6.2	6.7	7.0	7.3	7.3	7.5	8.0	8.2	8.2	8.1	7.7	7.5
Nacogdoches	8.3	8.1	7.3	NA	NA	8.2	8.1	8.5	8.6	7.3	NA	7.5	7.4
Northeast Tarrant County	5.2	5.0	5.2	5.5	5.9	5.7	6.0	6.4	6.8	6.7	6.5	6.4	6.2
Paris	9.9	9.2	8.9	9.3	10.1	11.8	11.9	12.4	13.4	14.1	14.5	14.1	14.0
Port Arthur	8.4	8.5	11.2	8.1	9.4	9.2	8.7	9.4	10.4	12.4	11.4	12.8	12.7
San Angelo	5.1	4.8	5.3	5.1	5.3	5.7	5.9	6.5	6.7	7.0	7.0	6.4	6.6
San Antonio	7.4	7.2	7.5	7.8	8.1	7.8	7.9	8.2	8.4	8.3	8.2	8.1	8.0
Sherman-Denison	11.1	10.2	10.2	10.5	10.6	10.9	11.2	12.0	12.4	12.2	12.0	11.7	11.6
Temple-Belton	6.5	6.0	6.6	6.7	7.4	7.0	7.3	7.8	8.0	8.0	7.9	7.8	7.8
Texarkana	8.7	8.4	NA	8.0	7.7	8.4	8.6	8.5	9.1	9.3	9.0	9.0	9.0
Tyler	11.8	11.0	11.3	11.5	11.3	12.0	12.4	13.0	13.3	13.4	13.8	13.5	13.4
Victoria	7.6	7.3	6.9	6.6	6.3	6.4	7.1	7.2	6.9	7.0	8.2	6.9	6.6
Waco	7.8	7.5	NA	8.0	8.2	8.1	NA	8.6	8.9	9.0	8.7	8.9	8.9
Wichita Falls	7.2	6.9	7.1	7.3	7.5	7.0	7.1	7.7	8.1	8.4	8.3	8.1	8.0

Source: Real Estate Center at Texas A&M University, Raymond James & Associates, Inc.

#### Company Citations

Company Name	Ticker	Exchange	Currency	Closing Price	RJ Rating	RJ Entity
D.R. Horton, Inc.	DHI	NYSE	\$	12.28	3	RJ & Associates
KB Home	KBH	NYSE	\$	14.21	1	RJ & Associates
Lennar Corporation	LEN	NYSE	\$	18.96	2	RJ & Associates
PulteGroup Inc.	PHM	NYSE	\$	7.64	3	RJ & Associates
Standard Pacific Corporation	SPF	NYSE	\$	4.69	3	RJ & Associates
The Ryland Group, Inc.	RYL	NYSE	\$	17.80	3	RJ & Associates

Notes: Prices are as of the most recent close on the indicated exchange and may not be in US\$. See Disclosure section for rating definitions. Stocks that do not trade on a U.S. national exchange may not be approved for sale in all U.S. states. NC=not covered.

Item 4:

2010 Year End Municipal Chart Book

*Raymond James Research*

## 2010 Year End Municipal Chartbook

**Christina Ashmore**, Christina.Ashmore@RaymondJames.com

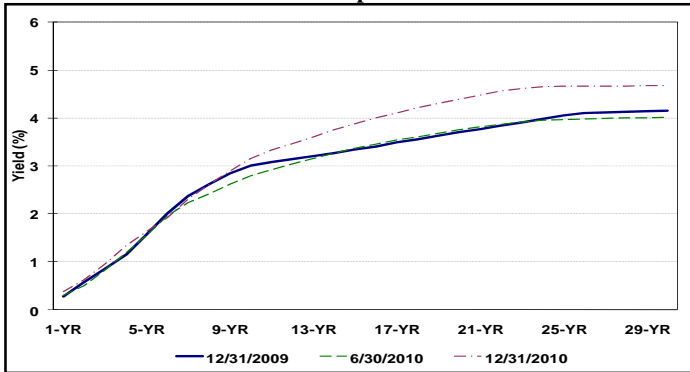
**Chris Crosby**, Chris.Crosby@RaymondJames.com

*This information has been obtained from third-party sources we consider reliable, but we do not guarantee the accuracy or completeness of this information. High Yield bonds (below investment grade) are not suitable for all investors. When appropriate, these bonds should only comprise a modest portion of your portfolio. A credit rating of a security is not a recommendation to buy, sell or hold securities and may be subject to review, revisions, suspension, reduction or withdrawal at any time by the assigning rating agency. "GO" is an abbreviation for General Obligation, "P&C" refers to the Property & Casualty insurance industry and "AMT" refers to the Alternative Minimum Tax. Past performance does not guarantee future results. The returns mentioned do not include transaction costs and tax considerations. If included these costs would reduce an investor's return. The Consumer Price Index (CPI) is determined monthly by the U.S. Bureau of Labor Statistics and is a measure of the average change in consumer prices over time of goods and services purchased by households. Bond insurance relates only to the timely payment of principal and interest by the issuer. The insurance does not remove market risks. No representation is made as to an insurer's ability to meet its financial commitments. The Barclay Municipal Index is computed twice monthly from prices on approximately 1,100 bonds in the US market. The index is composed of approximately 60% revenue bonds and 40% state government obligations. An investment cannot be made directly in this index.*

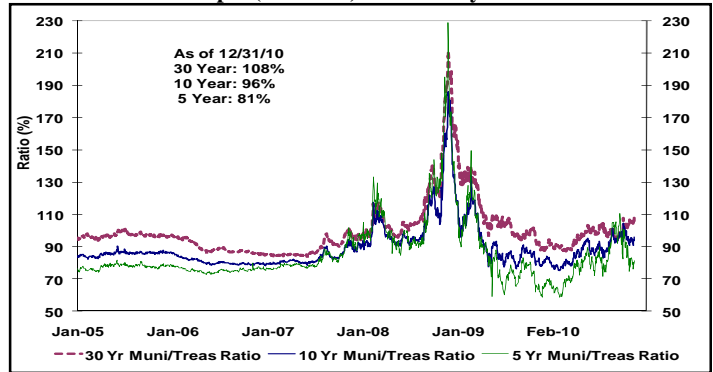
Control #: 2011-000096

# 2010 Year End Municipal Chartbook

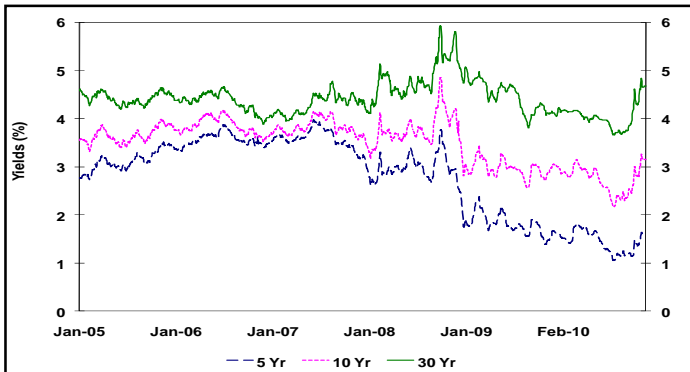
AAA GO Municipal Yield Curve<sup>1</sup>



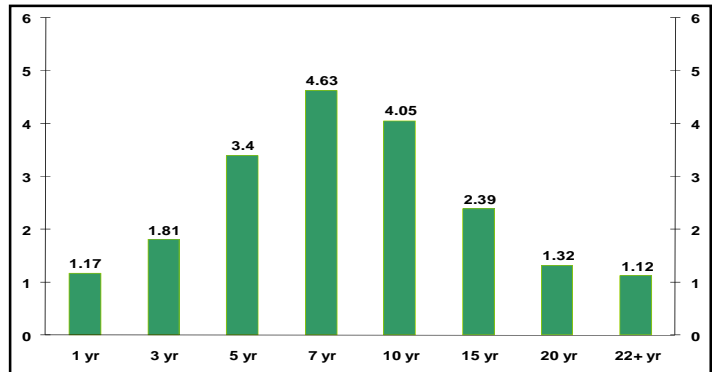
Historic Municipal (AAA GO) to Treasury Yield Ratios<sup>1,2</sup>



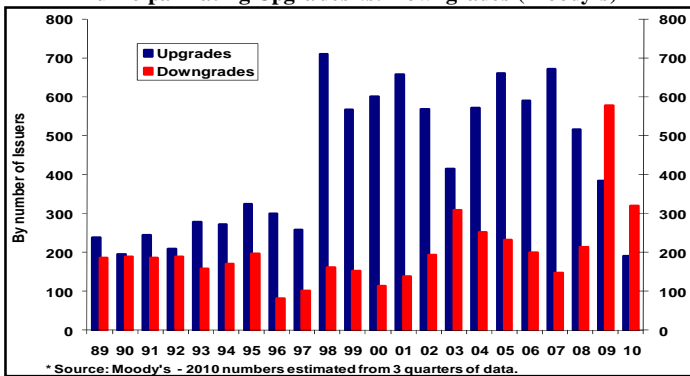
Municipal Interest Rates (%)<sup>1</sup>



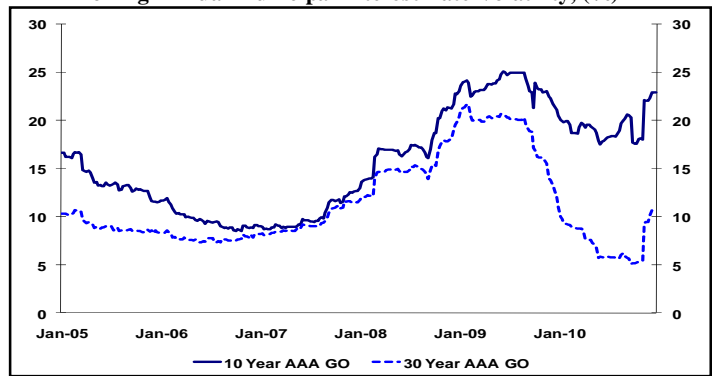
Barclay's Municipal Index 2010 Total Returns (%)<sup>6</sup>



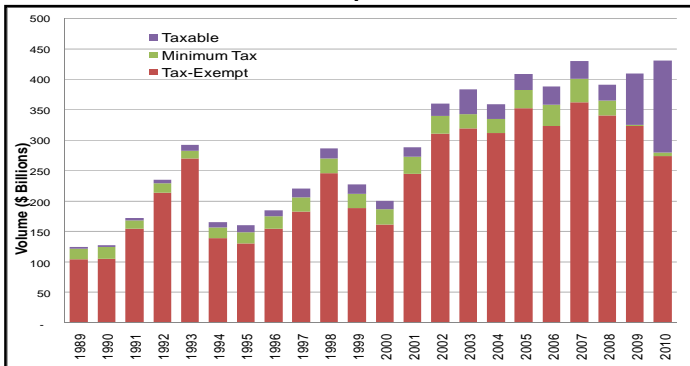
Municipal Rating Upgrades vs. Downgrades (Moody's)<sup>7</sup>



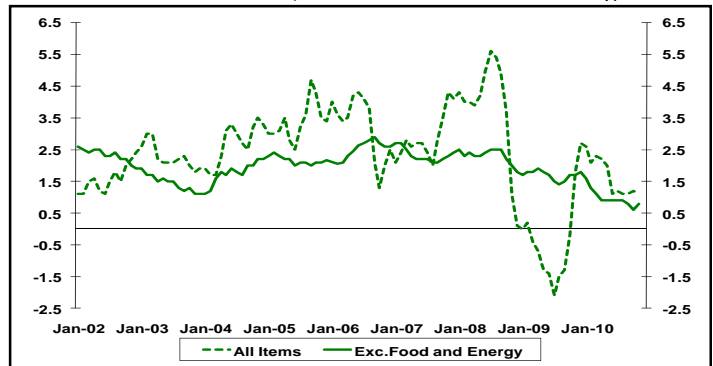
Rolling Annual Municipal Interest Rate Volatility, (%)<sup>2</sup>



Total Municipal Issuance<sup>5</sup>



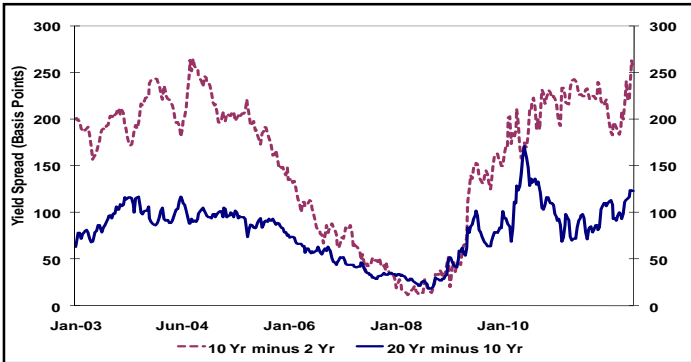
Consumer Price Index, Year Over Year Percent Change<sup>2</sup>



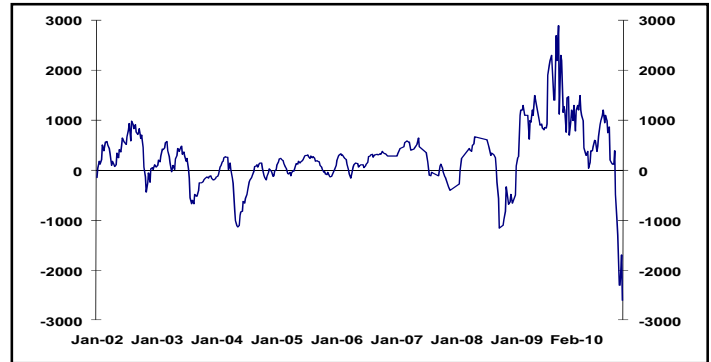
Sources: [1] Municipal Market Data, [2] Bloomberg, [3] Investor Tools, [4] FTID, [5] Bond Buyer, [6] Barclay, [7] Moody's, [8] S&P, [9] AMG Data, [10] Federal Reserve Board. All charts are as of 12/31/2010 unless otherwise noted.

# 2010 Year End Municipal Chartbook

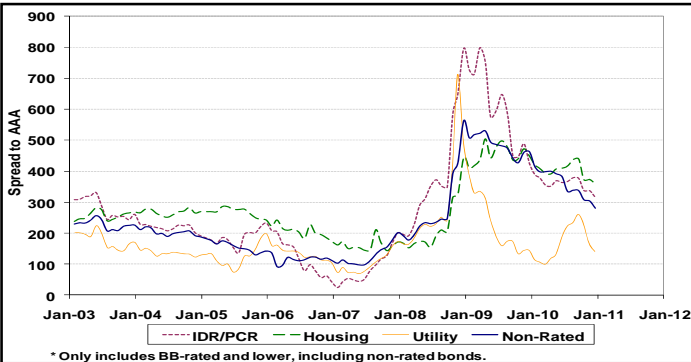
Maturity Spread—AAA GO Spreads <sup>1</sup>



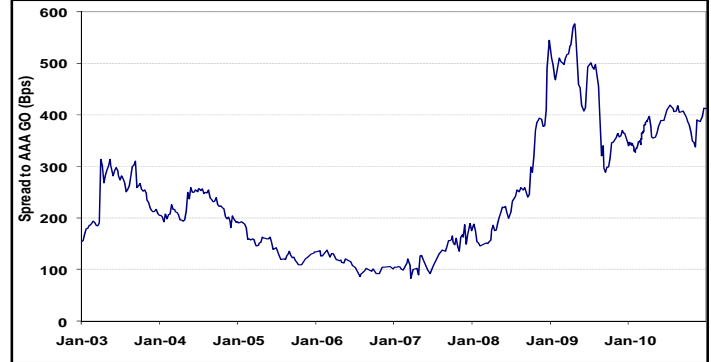
Net Four Week Average Municipal Bond Fund Cash Flows <sup>9</sup>



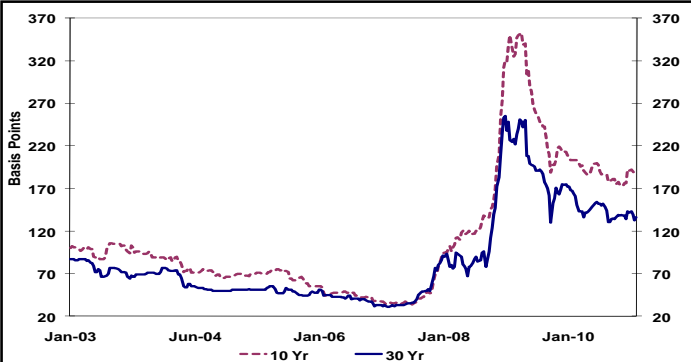
High Yield\* Spread to AAA (20 YR) <sup>1,3</sup>



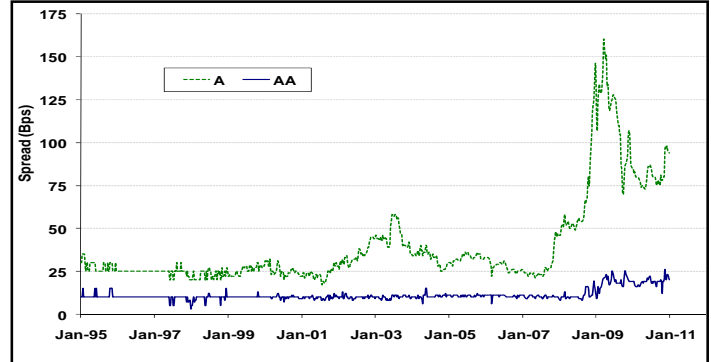
Long Tobacco Bonds vs. AAA GO Spread to Maturity <sup>1,4</sup>



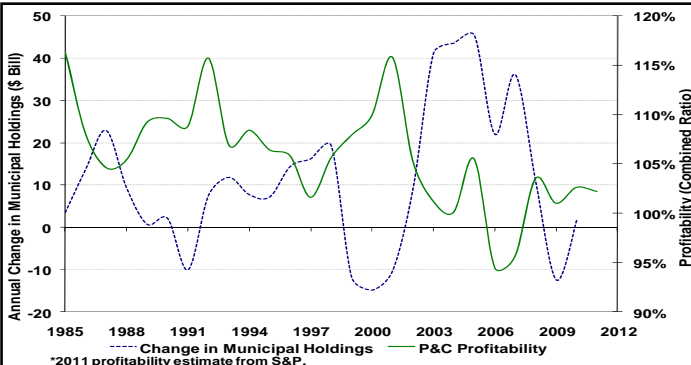
Spread of BBB Municipal Bonds vs. AAA GOs <sup>1</sup>



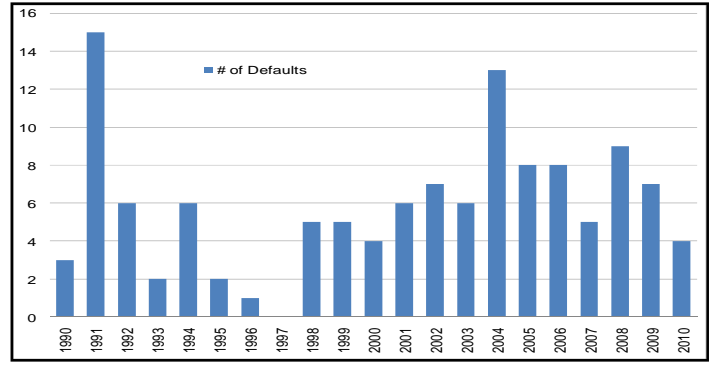
Spread of AA and A Municipal Bonds vs AAA GOs (10 YR) <sup>1</sup>



P&C Profitability Influences on Municipal Holdings <sup>8,10</sup>



Investment Grade Payment Defaults Per Year <sup>\*7,8,11</sup>



Sources: [1] Municipal Market Data, [2] Bloomberg, [3] Investor Tools, [4] FTID, [5] Bond Buyer, [6] Lehman Brothers, [7] Moody's, [8] S&P, [9] AMG Data, [10] Federal Reserve Board, [11] Bloomberg, Interactive Data, Raymond James & Associates (RJ maintains a portfolio of bonds). All charts are as of 12/31/2010 unless otherwise noted.

Item 5:  
Municipal Bond Weekly  
*Raymond James Research*

**Municipal Bond Investor Weekly**

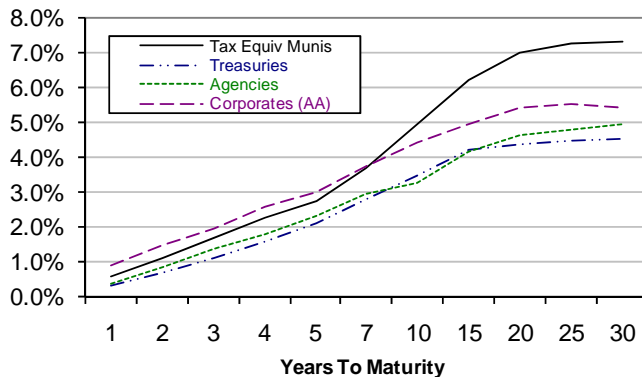
January 10, 2011

Carolyn Nees - (727) 567-2862, Carolyn.Nees@RaymondJames.com

**Week in Review**

The municipal market has started 2011 rather quietly, with very little in the way of new issuance to provide clarity in rate trends. As a result, yields remained fairly flat. However, municipal bond funds continue to experience net redemptions, pressuring prices downward. This trend, along with the expiration of the Build America Bond (BAB) program, has the potential to produce more volatility in the near future, on the long end in particular. Buyers would benefit from any move towards higher yields, especially if spreads to Treasury and corporate bonds remain attractive. Current investors, on the other hand, are advised to consider the effects of rising rates on their existing portfolios. In addition, credit risks should be assessed regularly to gauge a potential compounding affect on portfolio pricing when a bond is downgraded in a rising rate environment. Your Financial Advisor can provide a complete Fixed Income Portfolio Analysis by request, at any time – even if your bonds are held elsewhere.

**Comparative Yield Curves as of 1/6/11**



**Historic AAA Muni/Treasury Ratio (30-Year Maturity)**



<b>Bond Yields (%) as of 1/06/2011 Close</b>											
	1	2	3	4	5	7	10	15	20	25	30
<b>Muni AAA G.O.<sup>1</sup></b>	0.37	0.73	1.08	1.48	1.77	2.40	3.22	4.02	4.53	4.72	4.74
Weekly Change *	0	11	13	14	14	9	6	14	14	6	6
<b>Tax Equiv Munis<sup>2</sup></b>	0.57	1.12	1.66	2.28	2.72	3.69	4.95	6.18	6.97	7.26	7.29
<b>Taxable AA Muni &amp; BAB<sup>3</sup></b>	1.14	1.65	2.20	2.76	3.29	4.18	5.03	5.73	6.59	7.53	7.64
Weekly Change *	-11	-6	1	2	5	6	2	0	-1	-1	-1
<b>Treasuries<sup>3</sup></b>	0.28	0.66	1.09	1.59	2.07	2.80	3.49	4.21	4.34	4.45	4.51
Weekly Change *	2	3	2	1	0	1	3	6	8	9	9
<b>Agencies<sup>3</sup></b>	0.35	0.82	1.38	1.79	2.31	2.94	3.24	4.16	4.62	4.79	4.92
Weekly Change *	-1	3	11	22	0	1	2	-25	3	4	5
<b>Corporates (AA)<sup>3</sup></b>	0.90	1.45	1.96	2.55	2.98	3.73	4.39	4.96	5.40	5.51	5.42
Weekly Change *	-2	0	-2	-2	-3	-3	-2	-3	-5	-1	4

	Current			Short-Term Yields (%)			
	Current	Last Week	Last Year	Current	Last Week	One Year Ago	
Dow Jones Industrial	11697	11570	10574	Prime Rate	3.25	3.25	3.25
NASDAQ Composite	2710	2663	2301	1-Month LIBOR	0.26	0.26	0.23
Crude Oil	88.38	89.84	83.18	Fed Funds	0.17	0.19	0.12
U.S. Dollar/Euro	1.30	1.33	1.44	1-Month T-Bill	0.13	0.09	0.05
Gold	1372	1406	1137	SIFMA Weekly Index	0.23	0.34	0.15

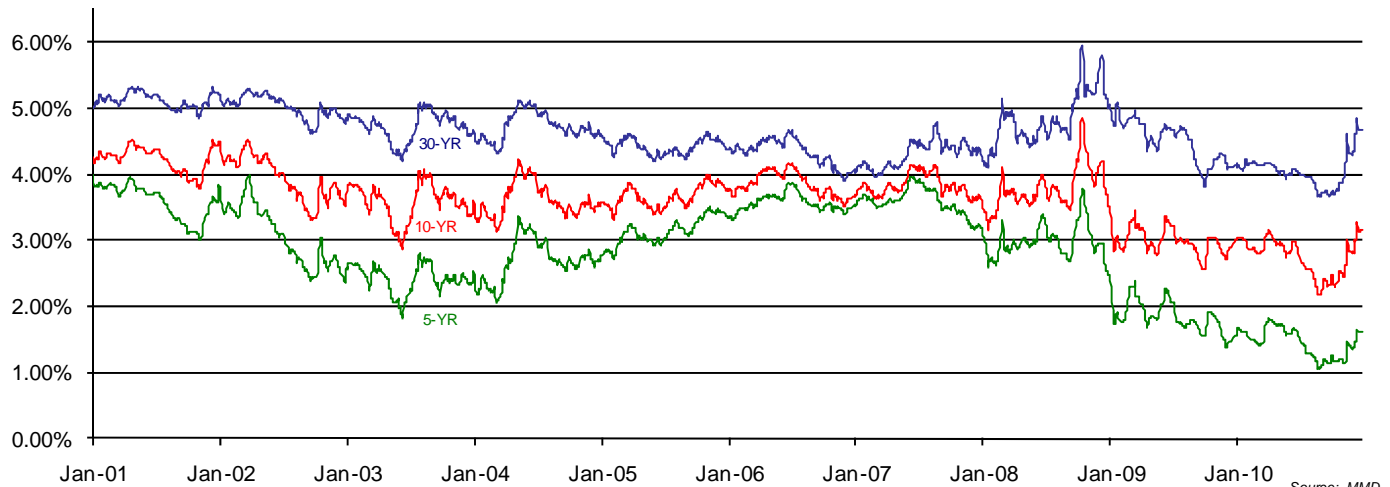
Sources: (1) Municipal Market Data (2) Tax Equiv Yield calculations on AAA-rated tax exempt yields assume a 35% tax rate (3) Treasury, Agency, Corporate yields from Bloomberg. Lipper Total Returns from Lipper and The Wall Street Journal (YTD = Year To Date). Short Term Yields are from Bloomberg, Federal Reserve and Securities Industry and Financial Markets Association. The SIFMA Weekly Index is a 7-day high-grade market index comprised of tax-exempt variable rate demand obligations (VRDO's) that are not subject to AMT, are greater than \$10 million issuance size and have an AA or better rating. \* In Basis Points. \*\* Bloomberg as of close Thursday.



**Buyer Participation****Retail:** Limited activity.**ARB Accounts:** On the sidelines given market volatility and ratios.**Bond Funds:** Net sellers due to continuing redemptions.**Insurance Companies:** Year end brought to sidelines.**Bank Trust/Investment Advisors:** Limited activity.**Upcoming Economic Releases**

1/10	Auction 13- & 26-week bills, 30-year TIPS
1/11	Wholesale Trade (Nov) Auction 4- & 52-week bills, 3-year notes
1/12	Fed Beige Book Auction 10-year notes
1/13	Jobless Claims (1/08) Producer Prices (Dec) Auction 30-year bonds
1/14	Consumer Prices (Dec)

**Historical Perspective on the Municipal Market  
AAA General Obligation (GO) Yields**

**Rating Changes of Note****Clark County IN GO** downgraded by Moody's to A1 from Aa3.**DuPage Water Commission IL GO** downgraded by Moody's to A1 from Aa1 and water revenues to A2 from Aa2.**Forest Park IL GO** downgraded by Moody's to A1 from Aa3.**Illinois Health Facilities Authority and Illinois Finance Authority (Northwest Community Hospital)** downgraded by S&P to A+ from AA-.**Naperville IL waterworks & sewerage revenue bonds** downgraded by Moody's to A1 from Aa1.

GO: general obligation, Source: S&amp;P, Moody's, Fitch

**Week of 1/10 - New Issue Calendar (\$ in billions)**

Negotiated	\$ 3.40
Competitive	\$ 1.20
Total	\$ 4.60

**Raymond James Participation (\$ in millions)**

\$1400	New Jersey Educational Development Auth, Co-Mgr
\$245	New Jersey Educational Dev Auth (Taxable), Co-Mgr
\$875	New York City Transitional Finance Auth, Co-Manager
\$67	Oklahoma City Water Utility Trust, Co-Manager
\$46	New York Dorm Authority NYSARC, Sole Manager
\$41	Monmouth NJ County Improvement Auth, Senior-Mgr
\$8.55	Weatherford TX Certificates of Obligation, Co-Manager

For the full calendar, visit

[www.raymondjames.com/fixed\\_income\\_municipal\\_bonds\\_calendar.htm](http://www.raymondjames.com/fixed_income_municipal_bonds_calendar.htm)

BAB: Taxable Build America Bond, BQ: Bank Qualified, SG: Selling Group

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**BOND FINANCE DIVISION**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Requested Action**

Presentation, Discussion and Possible Action on Resolution 11-019 authorizing the purchase of warehoused mortgage backed securities with proceeds of Residential Mortgage Revenue Bonds, Series 2011A (Program 77) and reauthorization of the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of first tranche of 2009C (Program 77).

**Background**

At the December 17, 2010 Board Meeting, Resolution 11-009 was approved authorizing the first conversion of an amount not-to-exceed \$90 million principal amount of NIBP bonds to tax-exempt bonds and the issuance of not-to-exceed \$60 million principal amount of the shorter-term private market rate bonds for a total of not-to-exceed \$150 million of funds for mortgage loans. Today, staff is asking the Board to rescind the action taken at the December 17, 2010 meeting, reauthorize the issuance of Residential Mortgage Revenue Bonds, Series 2011A and conversion of the first tranche of 2009C, and approve the purchase of mortgage backed securities from the warehouse provider with bond proceeds.

Since May 2010, TDHCA has originated loans under Program 77 and has purchased mortgage-backed securities backed by these mortgage loans into our warehouse facility. As of January 3, 2011, approximately \$142.5 million in mortgage loans have been committed; of which approximately \$70.5 million have been purchased by the trustee, and approximately \$47.5 million have been pooled and purchased by the Warehouse Provider.

TDHCA has issued eight Commitment Lots with unassisted first-lien mortgage rates between 4.20% and 4.99% and assisted first-lien mortgage rates between 4.95% and 5.74%. The first-lien mortgages are securitized and all mortgages have been marketed to very low, low and moderate income residents of the State of Texas. Approximately 1,300 new first-time homebuyers have taken advantage of this program.

The TEFRA Hearing was held on January 7, 2011. No public comment was received.

Bond proceeds will also be used to purchase loans originally intended to be originated in connection with Program 74 that failed to close in sufficient time to be included in that program.

The table on the following page includes the mortgage backed securities that staff is seeking approval to purchase from the warehouse provider with bond proceeds:

<b>Commitment Lot</b>	<b>Amount (Not to Exceed)</b>	<b>Unassisted Mortgage Rate</b>	<b>Assisted Mortgage Rate</b>
#1	\$11 million	4.99%	5.74%
#2	\$10 million	4.75%	5.50%
#3	\$17 million	4.65%	5.40%
#4	\$20 million	4.60%	5.35%
#5	\$19 million	4.55%	5.30%
#6	\$25 million	4.20%	4.95%
#7	\$24 million	4.20%	4.95%
#8	\$30 million	4.75%	5.50%
#74	\$2 million	n/a	6.25%
Total	\$158 million		

**Resolution No. 11-019**

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING THE RELEASE OF A PORTION OF THE PROCEEDS OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009C FROM ESCROW AND THE CONVERSION THEREOF; AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE DEPARTMENT'S RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2011A; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE THIRTY-FIRST SERIES SUPPLEMENT, THE DEPOSITORY AGREEMENT, THE BOND PURCHASE AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFICIAL STATEMENT FOR THE SERIES 2011A BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes ("tax-exempt bonds"); and

WHEREAS, the private activity bond "State ceiling" (as described in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State Ceiling for qualified mortgage bonds (the “Reservation”) and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the “Application for Reservation”) with the Texas Bond Review Board (the “Bond Review Board”), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the “Allocation Rules”) require that the Application for Reservation be accompanied by a copy of the certified resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation with respect to qualified mortgage bonds to be issued by the Department;

WHEREAS, the Texas Housing Agency (the “Agency”) or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its residential mortgage revenue bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Thirtieth and any amendments thereto, collectively, the “RMRB Indenture”) between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), to implement the various phases of the Agency’s (now the Department’s) single family mortgage purchase program by providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities (“Mortgage Certificates”) issued and guaranteed by Fannie Mae (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”) or Government National Mortgage Association (“Ginnie Mae”)) (referred to herein as “Mortgage Loans”); and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act; and

WHEREAS, the Department issued, under the Act and the federal government’s New Issue Bond Program (“NIBP”), its Residential Mortgage Revenue Bonds, Series 2009C (the “Series 2009C Bonds”) pursuant to the RMRB Indenture and the Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2009, as amended by the First Amendment to Thirtieth Supplemental Residential Mortgage Revenue Bond Trust Indenture dated as of December 1, 2010, each between the Department and the Trustee (collectively, the “Thirtieth Series Supplement”); and

WHEREAS, in accordance with the Thirtieth Series Supplement and the provisions of the NIBP, the Department is entitled, on up to six separate dates occurring no later than December 31, 2011, to convert all or a portion of the Series 2009C Bonds previously issued as taxable bonds to tax-exempt bonds and, in connection with each such conversion, to release a portion of the proceeds of the Series 2009C Bonds held in escrow to be used with the proceeds of a series of tax-exempt Residential Mortgage Revenue Bonds to be issued in connection with the respective conversion (such bonds are referred to in the NIBP and herein as “Market Bonds”) to acquire Mortgage Certificates; and

WHEREAS, the Governing Board previously adopted Resolution No. 10-016 authorizing the release of a portion of the Series 2009C Bonds from escrow and issuance of a series of Market Bonds to be known as Residential Mortgage Revenue Bonds, Series 2010A, but such release and issuance were not completed; and

WHEREAS, pursuant to Resolution No. 10-019, the Governing Board approved Program Guidelines setting forth the general terms of the Mortgage Loans and authorized execution and delivery of (i) a Warehousing Agreement for the acquisition and temporary warehousing of Mortgage Certificates acquired under the Department’s single family mortgage purchase program, (ii) a Program Administration and Servicing Agreement setting forth the terms under which Bank of America, N.A., as master servicer, will

review, acquire, package and service the Mortgage Loans, and (iii) a Compliance Agreement setting forth the terms under which Bank of America, N.A., as compliance agent, will review and examine certain documents in connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

WHEREAS, the Governing Board previously adopted Resolution 11-009 and now desires to rescind such resolution in its entirety; and

WHEREAS, the Governing Board has determined to authorize the issuance of an additional series of the Department's Residential Mortgage Revenue Bonds, to be known as its Residential Mortgage Revenue Bonds, Series 2011A (the "Series 2011A Bonds") pursuant to the RMRB Indenture, for the purposes of providing funds to make and acquire qualifying Mortgage Loans through the purchase of Mortgage Certificates issued and guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae, and to pay a portion of the costs of issuance; and

WHEREAS, the Governing Board desires to authorize the conversion, in accordance with the Thirtieth Series Supplement, of a portion of the Series 2009C Bonds from taxable bonds to tax-exempt bonds (such converted portion being the "Series 2009C-1 Bonds") and to authorize the release of the proceeds of the Series 2009C-1 Bonds currently held in escrow to be used with the proceeds of the Series 2011A Bonds to acquire Mortgage Certificates under the Department's single family mortgage purchase program designated as "Bond Program No. 77" (the Program); and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Thirty-First Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Thirty-First Series Supplement") in substantially the form attached hereto relating to the Series 2011A Bonds; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of a Ninth Supplement to Amended and Restated Depository Agreement (the "Depository Agreement"), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Bond Purchase Agreements relating to the sale of the Series 2011A Bonds (collectively, the "Bond Purchase Agreement") with Morgan Keegan & Company, Inc., as representative of the group of underwriters listed on Exhibit A to this Resolution (the "Underwriters"), and/or any other parties to the Bond Purchase Agreement as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the form attached hereto setting forth certain terms and conditions upon which the Underwriters and/or any other parties to the Bond Purchase Agreement will purchase the Series 2011A Bonds from the Department and the Department will sell the Series 2011A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board has been presented with a draft of a preliminary official statement to be used in the public offering of the Series 2011A Bonds (the "Official Statement") and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$2,000,000 of Department funds for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2011A Bonds, the conversion of the Series 2009C-1 Bonds and the release of the proceeds thereof, and to fund down payment and closing cost assistance; and

WHEREAS, the Governing Board desires to authorize the use of up to \$500,000 of 0% loan funds in connection with the Program made available from prior Residential Mortgage Revenue Bond issues of the Department; and

WHEREAS, the Governing Board desires to authorize the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans and to waive the requirements of the Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restricts down payment assistance to borrowers earning not more than 80 percent of the area median family income and to make down payment assistance available, in the form of a second mortgage, to all eligible borrowers; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2011A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Thirty-First Series Supplement, the Depository Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Official Statement, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the Program in accordance with such documents by authorizing the issuance of the Series 2011A Bonds, the conversion of the Series 2009C-1 Bonds to tax-exempt bonds and the release of the proceeds thereof from escrow, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the Program; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE I  
APPLICATIONS FOR RESERVATION

Section 1.1--Applications for Reservation. That the Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation for qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the maximum aggregate amount of \$150,000,000, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

Section 1.2--Authorization of Certain Actions. That the Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the actions authorized in Section 1.1.

ARTICLE II  
RELEASE OF SERIES 2009C BOND PROCEEDS FROM ESCROW;  
ISSUANCE OF SERIES 2011A BONDS; APPROVAL OF DOCUMENTS

Section 2.1--Release of Series 2009C Bond Proceeds from Escrow. That the conversion of a portion of Series 2009C Bonds to tax-exempt bonds and the release of the proceeds thereof from escrow in an amount

not to exceed \$90,000,000 to occur concurrently with the delivery of the Series 2011A Bonds is hereby authorized in accordance with the Thirtieth Series Supplement; and the authorized representatives named herein each are hereby authorized to execute, attest, affix the Department's seal to and deliver such notices, documents and supplemental disclosure documents as are required by the Thirtieth Series Supplement to implement such release.

Section 2.2--Issuance, Execution and Delivery of the Series 2011A Bonds. That the issuance of the Series 2011A Bonds is hereby authorized, all under and in accordance with the RMRB Indenture, and that, upon execution and delivery of the Thirty-First Series Supplement, the authorized representatives named herein each are hereby authorized to execute, attest and affix the Department's seal to the Series 2011A Bonds and to deliver the Series 2011A Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2011A Bonds to or upon the order of the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement.

Section 2.3--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department (i) are hereby authorized and empowered to determine whether the Series 2011A Bonds will be issued on a taxable or a tax-exempt basis and to determine whether the Series 2011A Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates, principal amounts and maturities of, and the prices at which the Department will sell the Series 2011A Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director or the Chief of Agency Administration of the Department of the Thirty-First Series Supplement, the Bond Purchase Agreement, the Depository Agreement and the Official Statement; provided, however, that: (a) the interest rate on the Series 2011A Bonds shall not exceed 7% per annum; (b) the aggregate principal amount of the Series 2011A Bonds shall not exceed \$60,000,000; (c) the final maturity of the Series 2011A Bonds shall occur not later than June 1, 2045; (d) the price at which the Series 2011A Bonds are sold to the Underwriters and/or any other parties to the Bond Purchase Agreement shall not exceed in the aggregate 106% of the principal amount thereof; and (e) the Underwriters' discount or fee shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2011A Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law.

Section 2.4--Approval, Execution and Delivery of the Thirty-First Series Supplement. That the form and substance of the Thirty-First Series Supplement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Thirty-First Series Supplement, and to deliver the Thirty-First Series Supplement to the Trustee.

Section 2.5--Approval of Depository Agreement. That the form and substance of the Depository Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

Section 2.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Series 2011A Bonds to the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Underwriters and/or any other parties to the Bond Purchase Agreement.



Section 2.7--Approval of Continuing Disclosure Agreement. That the form and substance of the Continuing Disclosure Agreement are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 2.8--Official Statement. That the Official Statement relating to the Series 2009C-1 Bonds and the Series 2011A Bonds, in substantially the form presented to the Governing Board, is hereby approved; that prior to the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, are hereby authorized and directed to finalize the Official Statement for distribution by the Underwriters to prospective purchasers of the Series 2011A Bonds and to the holders of the Series 2009C-1 Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve in order to permit such an authorized representative, for and on behalf of the Governing Board, to deem the Official Statement relating to the Series 2011A Bonds final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), such approval to be conclusively evidenced by the distribution of such Official Statement; and that within seven business days after the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, shall cause the final Official Statement, in substantially the form of the Official Statement attached hereto, with such changes as such an authorized representative may approve, such approval to be conclusively evidenced by such authorized representative's execution thereof, to be provided to the Underwriters in compliance with Rule 15c2-12 and to the holders of the Series 2009C-1 Bonds.

Section 2.9--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the RMRB Indenture, the Thirty-First Series Supplement, the Depository Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

Section 2.10--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 2.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- |           |   |                                 |
|-----------|---|---------------------------------|
| Exhibit B | - | Thirty-First Series Supplement  |
| Exhibit C | - | Depository Agreement            |
| Exhibit D | - | Bond Purchase Agreement         |
| Exhibit E | - | Continuing Disclosure Agreement |
| Exhibit F | - | Official Statement              |

Section 2.12--Authorized Representatives. That the following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article II:

Chairman or Vice Chairman of the Governing Board, Executive Director or Acting Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department, Director of Texas Homeownership of the Department and the Secretary to the Governing Board.

Section 2.13--Department Contribution. That the contribution of Department funds in an amount not to exceed \$2,000,000 to be used for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2011A Bonds and the cost of conversion of the Series 2009C-1 Bonds and the release of the proceeds thereof, is hereby authorized.

Section 2.14--Use of 0% Loan Funds. That the use of up to \$500,000 of 0% loan funds in connection with the Program made available from prior Residential Mortgage Revenue Bond issues of the Department is hereby authorized.

Section 2.15--Use of RMRB Indenture Funds. That the use of an amount not to exceed \$8,000,000 of funds on deposit under the RMRB Indenture to fund down payment and closing cost assistance loans is hereby authorized and to waive the requirements of the Texas Administrative Code, Title 10, Part 1, Chapter 7, Rule 7.3 that restricts down payment assistance to borrowers earning not more than 80 percent of the area median family income and to make down payment assistance available, in the form of a second mortgage, available to all eligible borrowers.

### ARTICLE III APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 3.1--Submission to the Attorney General of Texas. That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2011A Bonds.

Section 3.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage Causey Demgen & Moore Inc. as verification agent to perform such verifications, functions, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of the purchasers of the Series 2011A Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 3.3--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2011A Bonds and all other Department activities.

Section 3.4--Approval of Requests for Rating from Rating Agencies. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Section 3.5--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2011A Bonds are hereby ratified and confirmed.

Section 3.6--Authority to Invest Funds. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the RMRB Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the RMRB Indenture.

Section 3.7--Waiver from Texas Bond Review Board. That the Governing Board of the Department authorizes the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

#### ARTICLE IV CERTAIN FINDINGS AND DETERMINATIONS

Section 4.1--Determination of Interest Rate. That the Governing Board of the Department hereby approves the purchase of participations in Mortgage Loans under the Program with interest rates of 4.2% to 5.74% as described in its Commitment Lot Notices 1 through 8, and with interest rates of 6.25% for certain Mortgage Loans originally expected to be purchased under Program 74, and finds that such rates will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to the Program and debt service on the Series 2011A Bonds and the Series 2009C-1 Bonds, and will enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds or the rating thereof:

Section 4.2--Approval of Mortgage Lenders. That the Mortgage Lenders listed in Exhibit G to this Resolution are hereby approved for participation in the Program.

Section 4.3--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

Section 4.4--Purpose of Series 2011A Bonds. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2011A Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended.

#### ARTICLE V GENERAL PROVISIONS

Section 5.1--Limited Obligations. That the Series 2011A Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the RMRB Indenture to secure payment of the bonds issued under the RMRB Indenture and payment of the Department's costs and expenses for the Program thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2011A Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 5.2--Non-Governmental Obligations. That the Series 2011A Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 5.3--Purposes of Resolution. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2011A Bonds and the furtherance of the Program contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 5.4--Rescission of Resolution No. 11-009. Resolution No. 11-009 adopted by the Governing Board on December 17, 2010 is hereby rescinded in its entirety and the findings and approvals contained therein are hereby replaced by this Resolution.

Section 5.5--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 5.6--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

*[Signature page follows]*

PASSED AND APPROVED this 20th day of January, 2011.

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Chairman, Governing Board

ATTEST:

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Secretary to the Governing Board

(SEAL)

EXHIBIT A

List of Underwriters

Book-Running Senior Manager

Morgan Keegan & Company, Inc.

Co-Senior Manager

J.P. Morgan Securities Inc.

Senior Managers

George K. Baum & Company  
Morgan Stanley & Co.

Co-Managers

Piper Jaffray & Co.  
Fidelity Capital  
First Southwest Company

EXHIBIT G

<b>PROGRAM 77 LENDERS</b>	
<b>Affiliated Bank</b>	<b>Houstonian Mortgage Group, Inc.</b>
<b>Allied Home Mortgage Corporation</b>	<b>imortgage.com</b>
<b>Amegy Bank</b>	<b>JP Morgan Chase Home Finance</b>
<b>AmericaHome Key - Flagstone Lending</b>	<b>K. Hovnanian American Mortgage, LLC</b>
<b>AmeriPro Funding, Inc. dba Land Mortgage</b>	<b>Mission Mortgage of Texas, Inc.</b>
<b>American National Bank</b>	<b>National Bank</b>
<b>American State Bank</b>	<b>Nova Financial Investment Corp. (Nova Home Loans)</b>
<b>ARK-LA-TEX Financial Services LLC – Benchmark Mortgage</b>	<b>Patriot Mortgage Company</b>
<b>Aspire Financial, Inc. dba TexasLending.com</b>	<b>Premier Nationwide Lending (NTFN, Inc.)</b>
<b>Bank of America</b>	<b>Prospect Mortgage fka Metrocities Mortgage, LLC</b>
<b>Capstar Lending, LLC</b>	<b>Pulte Mortgage</b>
<b>Cendera Funding</b>	<b>Republic State Mortgage Company</b>
<b>City Bank Mortgage</b>	<b>Rocky Mountain Mortgage Company</b>
<b>Coastal Bend Mortgage, Inc. dba Global Mortgage Group</b>	<b>Ryland Mortgage Company</b>
<b>Coastal Lending Financial Corp. dba Coastal Mortgage</b>	<b>Security State Bank</b>
<b>Colonial Savings, F.A./Colonial National Mortgage Community Development Corporation of Brownsville</b>	<b>Sente Mortgage</b>
<b>Cornerstone Mortgage Company</b>	<b>Service First Mortgage Co. (SFMC, LP)</b>
<b>DHI Mortgage Co., Ltd.</b>	<b>Standard Pacific Mortgage, Inc. (aka Family Lending Services)</b>
<b>Envoy Mortgage</b>	<b>Supreme Lending (aka Everett Financial, Inc.)</b>
<b>Fairway Independent Mortgage</b>	<b>SWBC Mortgage Corporation</b>
<b>Falcon International Bank</b>	<b>Texas Loan Star, Inc.</b>
<b>Falcon International Bank</b>	<b>TXL Mortgage Corporation</b>
<b>First Continental Mortgage Co.</b>	<b>U.S. Bank Home Mortgage</b>
<b>First National Bank El Paso</b>	<b>Universal American Mortgage Company</b>
<b>First National Bank Texas dba First Community Mortgage</b>	<b>ViewPoint Bankers Mortgage</b>
<b>First Priority Financial</b>	<b>Wells Fargo Home Mortgage</b>
<b>Hancock Mortgage Partners, LLC</b>	<b>Whitney National Bank</b>
<b>Highlands Residential Mortgage</b>	<b>WR Starkey Mortgage, LLP</b>
<b>Hometruster Mortgage Company</b>	

ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE SERIES 2011A BONDS.



**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Presentation, Discussion and Possible Action to Ratify and Approve the award made by the Executive Director to the Concho Valley Community Action Agency Comprehensive Energy Assistance Program for Tom Green County, the service area formerly served by the City of San Angelo.

**RESOLVED**, that the award made to Concho Valley Community Action Agency, a Community Services Block Grant eligible entity, to administer the Comprehensive Energy Assistance Program in Tom Green County, is hereby ratified and approved as presented to this meeting.

**Background**

On July 14, 2010 the Texas Department of Housing and Community Affairs (the Department) received notification from the City of San Angelo that they no longer wish to administer the Comprehensive Energy Assistance Program (CEAP) on behalf of the Department, and they relinquished their CEAP contract effective December 31, 2010. In an effort to ensure that the low income households located in Tom Green County continue to benefit from the services provided by the CEAP, the Department issued a Request for Applications for a permanent replacement provider which closed on December 23, 2010. In response to the Request for Applications, the Department received one application, from the Concho Valley Community Action Agency.

The Concho Valley Community Action Agency currently operates the CEAP in the counties surrounding Tom Green County. The applicant has been reviewed by the Compliance and Asset Oversight Division and no issues of material non-compliance, unresolved audit findings, or questioned or disallowed costs have been identified.

Based on the application review by the Department and assigned scores, as previously authorized by the Board, staff awarded these funds to Concho Valley Community Action Agency as the entity to be awarded the CEAP contract, effective January 1, 2011 through December 31, 2012, for the initial amount of \$282,094.

The initial contract for Concho Valley Community Action Agency will be amended to reflect the Notice of Grant Awards periodically received by the Department.

Staff is requesting Board ratification of this award.

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

**Recommended Action**

Presentation, Discussion and Possible Action to Ratify and Approve the award made by the Executive Director to West Texas Opportunities, Inc. of the Community Services Block Grant (CSBG) program for Mitchell County, and Rolling Plains Management Corporation of the CSBG program for Taylor, Stephens and Shackelford Counties, the service area formerly served by the Community Action Program, Inc.

**RESOLVED**, that the awards made to West Texas Opportunities, Inc., a Community Services Block Grant eligible entity, to administer the CSBG program in Mitchell County, and Rolling Plains Management Corporation, a CSBG eligible entity, to administer the CSBG program in Taylor, Stephens and Shackelford Counties, are hereby ratified and approved as presented to this meeting.

**Background**

On October 31, 2010 the Community Action Program, Inc, based in Abilene, voluntarily ceased operations. The Department issued a Request for Applications for a permanent replacement provider to cover Mitchell County and separate provider to cover Taylor, Stephens and Shackelford Counties, which closed on December 10, 2010. In response to the Request for Applications, the Department received applications from West Texas Opportunities, Inc. and West Central Texas Economic Development District to cover Mitchell County and Rolling Plains Management Corporation and West Central Texas Economic Development District to cover Taylor, Stephens and Shackelford Counties.

The applicants have been reviewed by the Compliance and Asset Oversight Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

Based on the application review by the Department and assigned scores, as previously authorized by the Board, the Executive Director awarded these funds to West Texas Opportunities as the entity to be awarded the CSBG contract for Mitchell County, effective January 1, 2011, through December 31, 2011, and Rolling Plains Management Corporation as the entity to be awarded the CSBG contract for Taylor, Stephens and Shackelford Counties, effective January 1, 2011, through December 31, 2011. Funding allocations shall be determined by CSBG formula.

Staff is requesting Board ratification of these awards.

**COMMUNITY AFFAIRS DIVISION  
BOARD ACTION REQUEST  
January 20, 2011**

Presentation, Discussion, and Possible Action regarding approval for publication in the *Texas Register* a final order adopting Amendments to 10 TAC Chapter 5 Subchapters A, B, and C.

**Recommended Action**

Approve for publication in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 5, Subchapters A, B, and C, regarding regulations related to Community Affairs Programs:

- Title 10, Part 1, Chapter 5, Subchapter A. General Provisions amending §5.3(b)(32)(A) - (F); §5.20(a) and (b), without changes to the text as published in the December 3, 2010 issue of the *Texas Register*
- Title 10, Part 1, Chapter 5, Subchapter B. Community Services Block Grant amending §5.203(a); §5.207(b); §5.210(c) - (f); §5.210(f)(3); §5.210(g); §5.210(h)(1) - (11); §5.216(b)(5) - (7)(A) - (F), with changes to §5.210(h)(1) - (11), as published in the December 3, 2010 issue of the *Texas Register*
- Title 10, Part 1, Chapter 5, Subchapter C. Emergency Shelter Grants Program amending §5.303(i)(1) - (4); §5.304(a), §5.304(a)(1)(B)(i) - (v); §5.304(a)(1)(C)(i) - (xi); §5.304(c)(1); §5.304(c)(1)(A) - (F); §5.304(d)(2); §5.304(e)(3); §5.304(g); §5.310(d), without changes to the text as published in the December 3, 2010 issue of the *Texas Register*

**RESOLVED**, that the final order adopting amendments to 10 TAC Chapter 5, Subchapters A, B, and C, regarding regulations related to Community Affairs Programs, is hereby ordered and approved, together with the preamble presented to this meeting, for publishing in the *Texas Register*.

**FURTHER RESOLVED**, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments to 10 TAC Chapter 5, Subchapters A, B, and C, regarding regulations related to Community Affairs Programs, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of subchapter specific preambles.

## **Background**

Staff is recommending through these rules that specified Community Affairs program rules proposed amendments be adopted. The final rules incorporate public comment received, program changes, preexisting guidance and state and federal statutory requirements related to the Community Services programs.

The Board approved the proposed amendments at the November 10, 2010 meeting to be published in order to receive public comment. In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to each comment received.

**Attachment A: Preamble, Reasoned Response, and 10 TAC Chapter 5, Subchapter A, §5.3 and §5.20**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, Subchapter A, §5.3 and §5.20 without changes to the text as published in the December 3, 2010 issue of the *Texas Register* (35 TexReg 10571) and will not be republished.

For the Community Services Block Grant program, the changes revise income eligibility standards for the program.

Public comments were accepted through January 3, 2011. No comments were received regarding Subchapter A, §5.3 and §5.20.

The Board approved the final order adopting the amendment section on January 20, 2011.

The amendments are adopted pursuant to the authority §2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

**§5.3. Definitions.**

(a) To ensure a clear understanding of the terminology used in the context of the Community Affairs Programs, a list of terms and definitions has been compiled as a reference.

(b) The following words and terms in this chapter shall have the following meaning unless the context clearly indicates otherwise.

(1) CAA--Community Action Agency.

(2) CFR--Code of Federal Regulations.

(3) Children--Household dependents not exceeding eighteen (18) years of age.

(4) Collaborative Application--An application from two or more organizations which will use Emergency Shelter Grants Program (ESGP) funds to provide services to the target population as part of a local continuum of care. If a unit of general local government applies for only one organization, this will not be considered a collaborative application. Partners in the collaborative application must coordinate services and prevent duplication of services.

(5) Community Action Plan--A plan required by the Community Services Block Grant (CSBG) Act which describes the local (subrecipient) service delivery system, how coordination will be developed to fill identified gaps in services, how funds will be coordinated with other public and private resources and how the local entity will use the funds to support innovative community and neighborhood based initiatives related to the grant.

(6) Cooling--Modifications including, but not limited to, the repair or replacement of air conditioning units, evaporative coolers, and refrigerators.

(7) Community Action Agencies (CAAs)--Local private and public non-profit organizations that carry out the Community Action Program (CAP), which was founded by the 1964 Economic Opportunity Act to fight poverty by empowering the poor in the United States. Each CAA must have a board consisting of at least one-third elected public officials, not fewer than one-third representatives of low-income individuals and families, chosen in accordance with democratic selection procedures, and the remainder are members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community.

(8) Community Affairs Division (CAD)--The Division at the Texas Department of Housing and Community Affairs which administers the CSBG, ESGP, Comprehensive Energy Assistance Program (CEAP), Weatherization Assistance Program (WAP), and Section 8 Housing Choice Voucher Programs.

(9) The Community Services Block Grant (CSBG)--A grant which provides U.S. federal funding for Community Action Agencies (CAAs) and other eligible entities that seek to address poverty at the community level. Like other block grants, CSBG funds are allocated to the states and other jurisdictions through a formula.

(10) Community Services Block Grant (CSBG) Act--The CSBG Act is a law passed by Congress authorizing the Community Services Block Grant. The CSBG Act was amended by the Community Services Block Grant Amendments of 1994 and the Coats Human Services Reauthorization Act of 1998 under 42 U.S.C. §§9901, et seq. The act authorized establishing a community services block grant program to make grants available through the program to states to ameliorate the causes of poverty in communities within the states.

(11) CSBG Subrecipient--Includes CSBG eligible entities and other organizations that are awarded CSBG funds.

(12) Department--The Texas Department of Housing and Community Affairs.

(13) Discretionary Funds--Those CSBG funds maintained in reserve by a State, at its discretion, for CSBG allowable uses as authorized by §675C of the CSBG Act, and not designated for distribution on a statewide basis to CSBG eligible entities and not held in reserve for state administrative purposes.

(14) DOE--The United States Department of Energy.

(15) DOE WAP Rules--10 CFR Part 440 of the Code of Federal Regulations describing the Weatherization Assistance for Low Income Persons as administered through the Department of Energy.

(16) Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters.

(17) Equipment--A tangible non-expendable personal property including exempt property, charged directly to the award, having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit. For CSBG, CEAP, and WAP, if the unit acquisition cost exceeds \$5,000, approval from the TDHCA Community Affairs Division must be obtained before the purchase takes place. For ESGP, if the unit acquisition cost exceeds \$500, approval from TDHCA Community Affairs Division must be obtained before the purchase is made.

(18) Elderly Person--A person who is sixty (60) years of age or older.

(19) Electric Base-Load Measure--Weatherization measures which address the energy efficiency and energy usage of lighting and appliances.

(20) Eligible Entity--Those local organizations in existence and designated by the federal government to administer programs created under the federal Economic Opportunity Act of 1964. This includes community action agencies, limited-purpose agencies, and units of local government. The CSBG Act defines an eligible entity as an organization that was an eligible entity on the day before the enactment of the Coats Human Services Reauthorization Act of 1998, (October 27, 1998), or is designated by the Governor to serve a given area of the State and that has a tripartite board or other mechanism for local governance.

(21) Emergency--Defined by the LIHEAP Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. §8622):

(A) natural disaster;

(B) a significant home energy supply shortage or disruption;

(C) significant increase in the cost of home energy, as determined by the Secretary;

(D) a significant increase in home energy disconnections reported by a utility, a State regulatory agency, or another agency with necessary data;

(E) a significant increase in participation in a public benefit program such as the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. §§2011, et seq.), the national program to provide supplemental security income carried out under title XVI of the Social Security Act (42 U.S.C. §§1381, et seq.) or the State temporary assistance for needy families program carried out under Part A of Title IV of the Social Security Act (42 U.S.C. §§601, et seq.), as determined by the head of the appropriate federal agency;

(F) a significant increase in unemployment, layoffs, or the number of households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or

(G) an event meeting such criteria as the Secretary, at the discretion of the Secretary, may determine to be appropriate.

(22) Energy Repairs--Weatherization related repairs necessary to protect or complete regular weatherization energy efficiency measures.

(23) Energy Audit--The energy audit software and procedures used to determine the cost effectiveness of weatherization measures to be installed in a dwelling unit.

(24) Families with Young Children--A family that includes a child age five (5) or younger.

(25) USDHHS--U.S. Department of Health and Human Services.

(26) High Energy Burden--Determined by dividing a household's annual home energy costs by the household's annual gross income. The percentage at which energy burden is considered high is defined by data gathered from the State Data Center.

(27) High Energy Consumption--Household energy expenditures exceeding the median of low-income home energy expenditures expressed in the data collected from the State Data Center.

(28) Homeless or homeless individual--An individual who:

(A) lacks a fixed, regular, and adequate nighttime residence; or

(B) has a primary nighttime residence that is:

(i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. (Exclusion: The term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.)

(29) Household--Any individual or group of individuals who are living together in a dwelling unit as one economic unit. For energy programs, these persons customarily purchase residential energy in common or make undesignated payments for energy.

(30) Inverse Ratio of Population Density Factor--The number of square miles of a county divided by the number of poverty households of that county.

(31) Local Units of Government--City, county, or council of governments.

(32) Low Income--Income in relation to family size:



- (A) For CEAP and WAP, at or below 200% of the Federal Income guidelines;
- (B) For CSBG, at or below 125% of the Federal Income guidelines;
- (C) For ESGP, at or below 100% of the poverty level, determined in accordance with criteria established by the Director of the Office of Management and Budget;
- (D) For HPRP, 50% of the Area Median Income (AMI) as defined by HUD;
- (E) Is the basis on which cash assistance payments have been paid during the preceding twelve (12) month-period under titles IV and XVI of the Social Security Act or applicable state or local law; or
- (F) If a state elects, is the basis for eligibility for assistance under the Low Income Home Energy Assistance Act of 1981, provided that such basis is at least 125% of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.
- (33) Low Income Home Energy Assistance Program (LIHEAP)--A federally funded block grant program that is implemented to serve low income households who seek assistance for their home energy bills and/or weatherization services.
- (34) Migrant Farm worker--An individual or family that is employed in agricultural labor or related industry and is required to be absent overnight from their permanent place of residence.
- (35) Multifamily Dwelling Unit--A structure containing more than one dwelling unit.
- (36) National Performance Indicator--An individual measure of performance within the Department's reporting system for measuring performance and results of subrecipients of funds. There are currently twelve indicators of performance which measure self-sufficiency, family stability, and community revitalization.
- (37) Needs Assessment--An assessment of community needs in the areas to be served with CSBG funds. The assessment is a required part of the Community Action Plan per Assurance 11 of the CSBG Act.
- (38) OMB--Office of Management and Budget, a federal agency.
- (39) Outreach--The method that attempts to identify clients who are in need of services, alerts these clients to service provisions and benefits, and helps them use the services that are available. Outreach is utilized to locate, contact and engage potential clients.
- (40) Performance Statement--A document which identifies the services to be provided by a CSBG subrecipient. The document is an attachment to the CSBG contract entered into by the Department and the CSBG subrecipient.
- (41) Persons with Disabilities--Any individual who is:

- (A) a handicapped individual as defined in §7(9) of the Rehabilitation Act of 1973;
- (B) under a disability as defined in §1614(a)(3)(A) or §223(d)(1) of the Social Security Act or in §102(7) of the Developmental Disabilities Services and Facilities Construction Act; or
- (C) receiving benefits under 38 U.S.C., Chapter 11 or 15.
- (42) Population Density--The number of persons residing within a given geographic area of the state.
- (43) Poverty Income Guidelines--The official poverty income guidelines as issued by the U.S. Department of Health and Human Services annually.
- (44) Private Nonprofit Organization--An organization which has status as a §501(c)(3) tax-exempt entity. Private nonprofit organizations applying for ESGP funds must be established for charitable purposes and have activities that include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness. The entity's net earnings may not inure to the benefit of any individual(s).
- (45) Public Organization--A unit of local government, as established by the Legislature of the State of Texas. Includes, but may not be limited to, cities, counties, and councils of governments.
- (46) Referral--The process of providing information to a client household about an agency, program, or professional person that can provide the service(s) needed by the client.
- (47) Rental Unit--A dwelling unit occupied by a person who pays rent for the use of the dwelling unit.
- (48) Renter--A person who pays rent for the use of the dwelling unit.
- (49) Seasonal Farm Worker--An individual or family that is employed in seasonal or temporary agricultural labor or related industry and is not required to be absent overnight from their permanent place of residence. In addition, at least 20% of the household annualized income must be derived from the agricultural labor or related industry.
- (50) Secretary--Chief Executive of the U.S. Department of Health and Human Services.
- (51) Service--The provision of work or labor that does not produce a tangible commodity.
- (52) Shelter--Defined by the Department as a dwelling unit or units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.
- (53) Single Family Dwelling Unit--A structure containing no more than one dwelling unit.

(54) Social Security Act--42 U.S.C. §§601, et seq., CSBG works with activities carried out under Title IV Part A to assist families to transition off of state programs.

(55) State--The State of Texas or the Texas Department of Housing and Community Affairs.

(56) Subcontractor--An organization with whom the subrecipient contracts with to administer programs.

(57) Subrecipient--According to each program subchapter, subrecipient may be defined as organizations with whom the Department contracts with and provides CSBG funds; ESGP funds; DOE funds or, LIHEAP funds.

(58) Supplies--All personal property excluding equipment, intangible property, and debt instruments, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement ("subject inventions"), as defined in 37 CFR Part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."

(59) TAC--Texas Administrative Code.

(60) Targeting--Focusing assistance to households with the highest program applicable needs.

(61) Terms and Conditions--Binding provisions provided by a funding organization to grantees accepting a grant award for a specified amount of time.

(62) Treatment as a State or Local Agency--For purposes of 5 U.S.C. Chapter 15 , any entity that assumes responsibility for planning, developing, and coordinating activities under the CSBG Act and receives assistance under CSBG Act shall be deemed to be a state or local agency.

(63) Units of General Local Government--A unit of local government which has, among other responsibilities, the authority to assess and collect local taxes and to provide general governmental services.

(64) U.S.C.--United States Code.

(65) Vendor Agreement--An agreement between the subrecipient and energy vendors that contains assurance as to fair billing practices, delivery procedures, and pricing for business transactions involving LIHEAP beneficiaries.

(66) WAP--Weatherization Assistance Program.

(67) WAP PAC--Weatherization Assistance Program Policy Advisory Council. The WAP PAC was established by the Department in accordance with 10 CFR §440.17 to provide advisory services in regards to the WAP program.

(68) Weatherization Material--The material listed in Appendix A of 10 CFR Part 440.

(69) Weatherization Project--A project conducted in a single geographical area which undertakes to reduce heating and cooling demand of dwelling units that are energy inefficient.

*§5.20.Determining Income Eligibility.*

(a) The U.S. Department of Health and Human Services (USDHHS) annually provides poverty income guidelines for use in determining client eligibility. Community Affairs Division programs are required to follow these income guidelines for the programs listed in subsections (b) - (d) of this section.

(b) The following client eligibility levels (until superseded) shall apply to clients at the time the client makes an application for services:

(1) Community Services Block Grant (CSBG)--125% of the current federal poverty level;

(2) Emergency Shelter Grants Program (ESGP)--100% of the current federal poverty level;

(3) Homelessness Prevention and Rapid Re-Housing Program (HPRP)--50% of Area Median Income as defined by USDHUD;

(4) Weatherization Assistance Program (WAP) and ARRA WAP--200% of the current federal poverty level; and

(5) Comprehensive Energy Assistance Program (CEAP)--200% of the current federal poverty level.

(c) To determine income eligibility for program services, subrecipients must base annualized eligibility determinations on household income from thirty (30) days prior to the date of application for assistance. Each subrecipient must maintain documentation of income from all sources for all household members for the entire thirty (30) day period prior to the date of application and multiply the monthly amount by twelve (12) to annualize income. Income documentation must be collected from all income sources for all household members eighteen (18) years and older for the entire thirty (30) day period.

(d) If proof of income is unavailable, the applicant must complete and sign a Department approved Declaration of Income Statement.

**Attachment B: Preamble, Reasoned Response, and 10 TAC Chapter 5, Subchapter B. Community Services Block Grant, §5.203, §5.207, §5.210 and §5.216**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, Title 10, Part 1, Chapter 5, Subchapter B, Community Services Block Grant, §§5.203, 5.207, 5.210 and 5.216. Section 5.210 is adopted with changes to the text as published in the December 3, 2010 issue of the *Texas Register* (35 TexReg 10574). Sections 5.203, 5.207 and 5.216 are adopted without changes and will not be republished.

The changes reflect removing the actual formula for allocation of funds from the rule; establishing a requirement that subrecipients submit the CSBG Performance Statement with the CAP plan, including submitting a board certification form that certifies a public hearing was held to solicit public comment on the proposed performance statement and budget; addressing the requirement to inform custodial parents of the services available to collect child support payments; adding a new section that informs subrecipients of the required steps for a CSBG grievance procedure for addressing written complaints from applicants/clients; and, adding under “Board Responsibility,” additional reports that board members are expected to be provided by their management and to review.

Public comments were accepted through January 3, 2011.

**Reasoned Response to Public Comment on the Proposed Amendments to 10 TAC Chapter 5, Subchapter B. Community Services Block Grant, §5.210(h)(1) - (11)**

The Texas Department of Housing and Community Affairs (the “Department”) received comments to the proposed amendments in writing by email. The Department’s response to all comments received is included in this attachment. The comments and responses include both administrative clarifications and corrections to the amendments recommended by staff and substantive comments on the amendments and the corresponding Departmental responses. Comments and responses are presented in the order they appear in the rules.

Comments were received from (1) Ms. Stella Rodriguez, Executive Director, Texas Association of Community Action Agencies. Staff reviewed the comments and provided reasoned responses.

**§5.210 Needs Assessment and Community Action Plan (1)**

**COMMENT SUMMARY:** Commentator recommended that in §5.210(h)(1) the Department add the word ‘business’ after ten days.

**STAFF RESPONSE:** Staff concurs because we understand that affected staff at the respective agencies typically only work on business days and will add language suggested.

**COMMENT SUMMARY:** Commentator recommended that in §5.210(h)(3) the Department change the number of days within which to hold a hearing from ten business days to twenty business days.

**STAFF RESPONSE:** Staff concurs because we understand that while timeliness must be observed, we believe this is a reasonable amount of time and will revise the language suggested.

**COMMENT SUMMARY:** Commentator recommended that in §5.210(h)(7) the Department change the number of days to notify applicant of hearing decision from the following day after the hearing to the fifth business day after the hearing.

**STAFF RESPONSE:** Staff concurs because we believe this still is within a reasonable amount of time and will revise the language suggested.

**COMMENT SUMMARY:** Commentator recommended that in §5.210(h)(8) the Department add the word ‘business’ after ten days.

**STAFF RESPONSE:** Staff concurs because we understand that affected staff at the respective agencies typically only work on business days and will add language suggested.

**COMMENT SUMMARY:** Commentator recommended that in §5.210(h) recommendation to add a new paragraph (12) as follows: If the denial is solely based on income eligibility, the applicant may request a re-certification of income eligibility based on initial documentation provided at the time of the original application. The re-certification will be an analysis of the initial calculation based on the documentation received with the initial application for services. If the re-certification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded to the applicant.

**STAFF RESPONSE:** Staff concurs because it is unlikely that a denial based solely on income will benefit from an extended appeals process. However, staff would like to minimize the possibility of human error and the potential for abuse in limited cases and amends the proposed language as follows: If the denial is solely based on income eligibility, the previous provisions §5.210(h)(2)-(11) do not apply and the applicant may request a re-certification of income eligibility based on initial documentation provided at the time of the original application. The re-certification will be an analysis of the initial calculation based on the documentation received with the initial application for services and will be performed by an individual other than the person who performed the initial determination. If the re-certification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded to the applicant.

The Board approved the final order adopting the amendments on January 20, 2011.

The amendments are adopted pursuant to the authority §2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

### **§5.203. Distribution of CSBG Funds.**

(a) The CSBG Act requires that no less than 90% of the state's allocation be allocated to eligible entities. The Department currently utilizes a multi-factor fund distribution formula to equitably provide CSBG funds throughout the state's 254 counties to the CSBG eligible entities. Revisions to the formula shall be considered on a biennial basis including the release of decennial census figures. Changes to the formula shall be presented to the Governing Board for approval.

(b) Five percent of the Department's annual allocation of CSBG funds and any funds not spent as identified in subsection (c) of this section, may be expended for activities as per 42 U.S.C. §9907(b)(A) - (H) and activities that may include:

- (1) the provision of training and technical assistance to CSBG eligible entities;
  - (2) services to low-income migrant seasonal farm worker and Native American populations;
  - (3) assisting CSBG eligible entities in responding to natural or man-made disasters;
  - (4) funding for innovative and demonstration projects that assist CSBG target population groups to overcome at least one of the barriers to attaining self-sufficiency; and
  - (5) other projects/initiatives, including state conference expenses. The Department may provide monetary awards to subrecipients for outstanding performance. To ensure consistent and comparable results, the process for monetary awards to CSBG subrecipients will be standardized.
- (c) Up to 5% of the Department's annual allocation of CSBG funds will be used for administrative purposes consistent with state and federal law.

#### **§5.207. Subrecipient Performance.**

(a) **Budgets.** CSBG eligible entities and any other funded organizations shall submit a budget to facilitate the contract execution process. A certification of board approval of CSBG budget form issued by the Department must also be submitted with planned budgets.

(b) **Unexpended Funds.** The Department reserves the right to deobligate funds.

(1) The U.S. Department of Health and Human Services Administration for Children and Families issues terms and conditions for receipt of funds under the CSBG. Subrecipients of CSBG funds will comply with the requirements of the terms and conditions of the CSBG award. Services must be provided on or before September 30th of the subsequent year and funds must be fully expended.

(2) The Coats Human Services Reauthorization Act of 1998, allows states to recapture unexpended CSBG funds in excess of 20% of the CSBG funds obligated to an eligible entity. This may be superseded by Congressional action in the appropriation process or by the terms and conditions issued by U.S. Department of Health and Human Services in the CSBG award letter.

(c) **Services to Poverty Population.** The subrecipient organizations administering services to clients in one or more CSBG service area counties shall ensure that such services are rendered reasonably and in an equitable manner to ensure fairness among all potential applicants eligible for services. Services rendered must reflect the poverty population ratios in the service area and services should be distributed based on the proportionate representation of the poverty population within a county. A variance of greater than plus or minus 20% may constitute a

finding. Subrecipients with a service area of a single county shall demonstrate marketing and outreach efforts to render direct services to a reasonable percentage of the county's eligible population based on the most recent decennial census. Services should also be distributed based on the proportionate representation of the poverty population within a county.

**§5.210. CSBG Needs Assessment and Community Action Plan.**

(a) In accordance with the CSBG Act and §676 of the Act, the Department is required to secure a Community Action Plan on an annual basis from each CSBG eligible entity due on October 31st.

(b) Every five (5) years, the CSBG Community Action Plan will include a community needs assessment from every CSBG Eligible Entity.

(c) The Community Action Plan shall at a minimum include a description of the delivery of services for the case management system in accordance with the National Performance Indicators and shall include a performance statement that describes the services, programs and activities to be administered by the organization.

(d) Hearing. A board certification that a public hearing was conducted on the proposed use of funds for the Community Action Plan must be submitted to the Department with the plan.

(e) Intake Form. To fulfill the requirements of 42 U.S.C. §9917, CSBG subrecipients must complete an intake form which includes the demographic and household characteristic data required for the monthly performance and expenditure report, referenced in Subchapter A of this chapter, for all households receiving a community action service. A new CSBG intake form or a centralized intake form must be completed on an annual basis to coincide with the CSBG program year of January 1st through December 31st.

(f) Case Management.

(1) In keeping with the regulations issued under Title II, §676(b) State Application and Plan, the Department requires CSBG subrecipients to incorporate integrated case management systems in the administration of their CSBG program (Title II, §676(b)). Incorporating case management in the service delivery system and providing assistance that has a long-term impact on the client, such as enabling the client to move from poverty to self-sufficiency, to maintain stable families, and to revitalize the community, supports the requirements of Title II, §676(b). An integrated case management system, improves the overall provision of assistance and improves each subrecipient's ability to transition persons from poverty to self-sufficiency.

(2) Subrecipients must have in operation a case management program that has the following components:

(A) Intake Form;



(B) Pre-assessment to determine service needs, to determine the need for case management, and to determine which individuals/families to consider enrolling in case management program;

(C) Integrated assessment of individual/family service needs of those accepted into case management program;

(D) Development of case management service plan to meet goals and become self-sufficient;

(E) Provision of services and coordination of services to meet needs and achieve self-sufficiency;

(F) Monitoring and follow-up of participant's progress;

(G) Case closure, once individual has become self-sufficient; and

(H) Evaluation process to determine effectiveness of case management system.

(3) As required by 42 U.S.C. §678G(b)(1-2), CSBG subrecipients shall inform custodial parents in single-parent families that participate in programs, activities, or services about the services available through the Texas Attorney General's Office with respect to the collection of child support payments and/or refer eligible parents to the Texas Attorney General's Office of Child Support Services Division.

(g) Non-CSBG eligible entities receiving state discretionary funds under §5.203(b) of this subchapter (relating to Distribution of CSBG Funds) are not required to submit a Community Action Plan. All CSBG subrecipients must develop a performance statement which identifies the services, programs, and activities to be administered by the organization.

(h) Subrecipient Requirements for Appeals Process for CSBG Applicants/Clients. Subrecipients shall establish a CSBG grievance procedure to address written complaints from program applicants/clients. At a minimum, the following procedures shall be included:

(1) Subrecipients shall provide a written denial of assistance notice to applicant/client within ten (10) business days of the adverse determination. This notification shall include written instructions of the appeals process and specific reasons for the denial by component. The applicant wishing to appeal a decision must provide written notice to subrecipient within ten (10) business days of receipt of the denial notice;

(2) The subrecipient who receives an appeal or client complaint shall establish a hearing committee composed of at least three persons. Subrecipient shall maintain documentation of appeals/complaints in their client files;

(3) The subrecipient shall hold the hearing within ~~ten (10)~~ twenty (20) business days after the subrecipient received the appeal/complaint request from the applicant/client;

(4) The subrecipient shall record the hearing;

- (5) The hearing shall allow time for a statement by subrecipient staff with knowledge of the case;
- (6) The hearing shall allow the applicant/client at least equal time, if requested, to present relevant information contesting the decision;
- (7) Subrecipient shall notify applicant/client of the decision in writing. The subrecipient shall mail the notification by close of business on the fifth (5<sup>th</sup>) business day following the decision (~~4-~~ 5-day turnaround);
- (8) If the applicant/client is not satisfied, they may further appeal the decision in writing to the Department within ten (10) business days of notification of an adverse decision;
- (9) The Department may review the recording of the hearing, the committee's decision, and any other relevant information necessary;
- (10) Pursuant to §1.7 of this title (relating to Staff Appeals Process), Department staff shall review the case and forward the recommendation to the Division Director for final concurrence; and
- (11) The Department will notify all parties in writing of its decision within thirty (30) days of receipt of the appeal.

(12) If the denial is solely based on income eligibility, the applicant may request a re-certification of income eligibility based on initial documentation provided at the time of the original application. The re-certification will be an analysis of the initial calculation based on documentation received with the initial application for services. If the re-certification upholds the denial based on income eligibility documents provided at the initial application, the applicant is notified in writing and no further appeal is afforded the applicant.

#### **§5.216. Board Responsibility.**

- (a) Tripartite boards have a fiduciary responsibility for the overall operation of the private nonprofit entity. Members are expected to carry out their duties as any reasonably prudent person would do.
- (b) At a minimum, board members are expected to:
  - (1) Maintain regular attendance of board and committee meetings;
  - (2) Develop thorough familiarity with core agency information, such as the agency's bylaws, as appropriate, articles of incorporation, sources of funding, agency goals and programs, federal and state CSBG statutes;
  - (3) Exercise careful review of materials provided to the board;
  - (4) Make decisions based on sufficient information;

(5) Ensure that proper fiscal systems and controls, as well as a legal compliance system, are in place;

(6) Maintain knowledge of all major actions taken by the agency; and

(7) Receive regular reports that includes:

(A) Review and approval of all funding requests (including budgets);

(B) Review of reports on the organization's financial situation;

(C) Regular reports on the progress of goals specified in the performance statement or program proposal;

(D) Regular reports addressing the rate of expenditures as compared to those projected in the budget;

(E) Updated modifications to policies and procedures concerning employee's and fiscal operations; and

(F) Updated information on community conditions that affect the programs and services of the organization.

(c) Individuals that agree to participate on a tripartite governing board, accept the responsibility to assure that the agency they represent continues to:

(1) assess and respond to the causes and conditions of poverty in their community;

(2) achieve anticipated family and community outcomes; and

(3) remains administratively and fiscally sound. Excessive absenteeism of board members compromises the mission and intent of the program.

(d) Residence Requirement:

(1) All board members shall reside within the subrecipient's CSBG service area designated by the CSBG contract. Board members should be selected so as to provide representation for all geographic areas within the designated service area; however, greater representation may be given on the board to areas with greater poverty population. Low-income representatives must reside in the area that they represent; and

(2) Subrecipients may request a waiver of the residency requirement to the Director of the Community Affairs Division for review for consideration and/or approval.

(e) Improperly Constituted Board. If the Department determines that a board of an eligible entity is improperly constituted, the Department shall prescribe the necessary remedial action, a timeline for implementation and possible sanctions which may include:

(1) cost reimbursement method of payment;

(2) withholding of funds;

(3) contract suspension; and

(4) termination of funding.

**Attachment C: Preamble, Reasoned Response, and 10 TAC Chapter 5, Subchapter C, Emergency Shelter Grants Program, §5.303, §5.304, and §5.310**

The Texas Department of Housing and Community Affairs (the “Department”) adopts amendments to 10 TAC Chapter 5, Subchapter C, Emergency Shelter Grants Program, §§5.303, 5.304, and 5.310, without changes to the text as published in the December 3, 2010 issue of the *Texas Register* (35 TexReg 10577) and will not be republished.

The changes reflect method to redistribute and/or reallocate unexpended ESGP funds, the requirement for subrecipients to establish procedures and processes to ensure ESGP funds are expended for eligible clients, guidance on Essential Services, and information on required elements of a grievance process.

Public comments were accepted through January 3, 2011. No comments were received.

The Board approved the final order adopting the amendment on January 20, 2011.

The amendments are adopted pursuant to the authority §2306 of the Texas Government Code, which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

**§5.303. Distribution of ESGP Funds.**

(a) All Texas counties fall within one of the thirteen (13) uniform state service regions. Funds are reserved for each region in direct proportion to the region's percentage of poverty population according to the decennial U.S. census.

(b) Applications are grouped by service region. Eligible applications compete only against other eligible applications from the same service region, with the highest ranking application being funded first.

(c) The Department will determine the number of applications which can be funded within each region based on the amount of funds available for distribution in each region. ESGP funds reserved for a particular region will be obligated to eligible applicant organizations within that region. If the region does not have enough responsive applications which meet the funding threshold, funds will be redistributed.

(d) Upon approval by the Department's Board of Directors, applicants receiving ESGP funds shall enter into and execute an agreement for the receipt of ESGP funds.

(1) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to the ESGP contract.

(2) The Department reserves the right to deobligate funds.

(3) Faith-based subrecipients, as with all subrecipients funded under the U.S. Department of Housing and Urban Development (HUD)-funded programs, must serve all eligible beneficiaries without regard to religion.

(e) Allocation of Funds. The Department shall administer all federal ESGP funds provided to the state under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. §§11371 - 11378), now known as the McKinney-Vento Homeless Assistance Act in accordance with the HUD's final ESG rule, 24 CFR Part 576 and Chapter 2306, Texas Government Code, and the Department annual consolidated plan.

(f) The Department must obligate at least 95% of these funds for ESGP funded applicants.

(g) The Department may retain 5% for administration and may share a portion of its administrative funds with units of general local government (city or county) selected for funding.

(h) The Department will obligate funds within sixty-five (65) days of receiving the award letter from HUD.

(i) Redistribution/Reallocation of Unexpended Funds.

(1) The Department obligates all ESGP available program funds. The Department may have funds available from a previous grant period or during a current grant period, in cases where:

(A) Subrecipients may have unexpended contract balances at the end of their contract;

(B) Funds may remain unobligated if an applicant fails to provide the necessary documentation to execute a contract;

(C) An applicant fails to meet the requirements of the contract; or

(D) A Subrecipient relinquishes all or part of the award.

(2) The Department will determine the most equitable and beneficial use of unspent program funds. In determining the reallocation or redistribution of funds, the Department will consider current Subrecipient's program performance and expenditure rates and regional need.

(3) In cases where program funds may remain unobligated or unspent from a previous program year, the Department will allocate funds to those current Subrecipients who received funds during the previous program year for which funds remained unexpended. Every attempt will be made to reallocate the funds within the region for which it originally was reserved, however, the Department may allocate funds to another region.

(4) If program funds become available during the contract period, the Department will make every effort to reallocate those funds within the respective region, however, the Department, at its discretion, may reallocate those funds to another region.

#### **§5.304. Use of Funds.**

(a) Eligible Activities. ESGP funds are designed to address the immediate needs of homeless persons, as defined in 42 U.S.C. §11302, to assist their movement to permanent housing:

(1) ESGP funds may be utilized to assist individuals and families who would actually become or remain homeless without ESGP homelessness prevention assistance;

(A) Termination of assistance. Subrecipients may terminate assistance provided by ESGP funded activities to participants who violate program requirements. The termination, however, must allow for the due process of the terminated participant's rights.

(B) If an individual or family who receives assistance under this part from a Subrecipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals affected, which may include a hearing.

(i) Subrecipient Termination of Participant Services. Grantees and recipients in the ESG program may terminate assistance provided by ESGP-funded activities to participants who violate program requirements. The termination, however, must protect the due process of the terminated participant.

(ii) Recipients must have in place a procedure that governs the termination and grievance process. These procedures should describe the program requirements and the termination process, as well as the grievance procedure that allows participants to request a hearing regarding the termination of their assistance.

(iii) It is important that recipient organizations effectively communicate the termination and grievance procedures to participants and ensure that the procedures are fully understood. For example, the recipient organization staff might verbally explain the procedures to participants upon entry, intake, or orientation to the ESG-funded program and make the procedures readily available to participants either with written information or by posting the policy in a public place. Posting the policy on a bulletin board in a common area within the facility is an effective way to ensure that the procedures are available for participants to access at any time.

(iv) The federal regulation at 24 CFR §576.56(a)(3) describes the termination provision: "Grantees and recipients may, in accordance with 42 U.S.C. §11375(e), terminate assistance provided under this part to an individual or family who violates program requirements."

(v) The federal statute 42 U.S.C. §11375(e) details termination of assistance: If an individual or family who receives assistance under this part from a recipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals affected, which may include a hearing.

(C) The applicant/client grievance procedure may include some of the following elements.

(i) Subrecipients shall provide a written denial of assistance notice to applicant/client within ten (10) days of the adverse determination. This notification shall include written instructions of the appeals process and specific reasons for the denial by component. The applicant wishing to appeal a decision must provide written notice to subrecipient within ten (10) days of receipt of the denial notice.

(ii) The subrecipient who receives an appeal or client complaint shall establish a hearing committee composed of at least three persons. Subrecipient shall maintain documentation of appeals/complaints in their client files.

(iii) The subrecipient shall hold the hearing within ten business days after the subrecipient received the appeal/complaint request from the applicant/client.

(iv) The subrecipient shall record the hearing.

(v) The hearing shall allow time for a statement by subrecipient staff with knowledge of the case.

(vi) The hearing shall allow the applicant/client at least equal time, if requested, to present relevant information contesting the decision.

(vii) Subrecipient shall notify applicant/client of the decision in writing. The subrecipient shall mail the notification by close of business on the business day following the decision (1 day turnaround).

(viii) If the applicant/client is not satisfied, they may further appeal the decision in writing to the Department within ten (10) days of notification of an adverse decision.

(ix) The Department may review the recording of the hearing, the committee's decision, and any other relevant information necessary.

(x) The Department appeals committee shall decide the case and forward their recommendation to the Division Director for final concurrence.

(xi) The Department will notify all parties in writing of its decision within thirty (30) days of receipt of the appeal.

(2) ESGP funds cannot be utilized to care for or assist children in state custody; and

(3) The Department encourages that applications include an innovative approach to providing emergency shelter and/or transitional housing to homeless individuals and families. Transitional housing projects should be designed to provide housing and appropriate essential services to homeless persons in order to facilitate the movement of individuals or families to permanent housing within no more than twenty-four(24) months. ESGP grant amounts may be used for one or more of the following activities in subsections (b) - (f) of this section.



(b) Operation administration may not exceed more than 10% of an applicant's ESGP budget (42 U.S.C. §11374(a)(3)) and may be requested for administrative salaries (including fringe benefits).

(1) Appropriate staff which may be charged as administrative staff are the executive director, program director, supervisors, administrative support staff, etc.

(2) Job descriptions for these positions are not required to be included in the ESGP application.

(c) Essential Services. ESGP legislation limits essential services to 30% of the total state allocation (24 CFR §576.3 and 42 U.S.C. §11374(a)(2)(b)).

(1) Essential services activities address the immediate needs of homeless individuals and enable homeless persons to become more independent and/or to secure permanent housing. Assistance provided under ESGP may be used for the provision of essential services including services concerned with employment, health, drug abuse prevention, and education, including but not limited to:

(A) assistance in obtaining permanent housing; medical health treatment; mental health treatment, counseling supervision, and other services essential for achieving independent living;

(B) nutrition assistance, including the salary of food preparers (cooks);

(C) assistance in obtaining other federal, state, and local assistance including mental health benefits, medical assistance, veteran's benefits, and income support assistance such as Supplemental Security Income, Temporary Assistance for Needy Families, and Food Stamps;

(D) other services such as childcare, food vouchers, client clothing, or medical assistance (doctor visits, prescriptions, eye glasses or other prostheses, etc.);

(E) transportation costs essential for achieving independent living including costs directly associated with ESGP service delivery, such as bus tokens, bus fare, cab fare, airfare, salary of van driver, etc.; and

(F) salary for staff whose sole duty is to work directly with clients to provide the above services.

(2) Staff salaries may include wages and fringe benefits; however, no administrative or supervisory salaries may be paid with essential services funds.

(3) ESGP funds may be used to provide essential services, if the agency received local funds (locally generated tax revenue) from a unit of local government in the past twelve (12) months, only if the ESGP application includes a request for funds to provide essential services for a new service (24 CFR §576.21(b)).

(d) Maintenance, operation, and furnishings. ESGP funds may be used for maintenance, operation, furnishings, and equipment costs (24 CFR §576.21(3)).

(1) Maintenance costs include contract services for copier or security system maintenance, pest control, lawn care, contracted janitorial service, etc.

(2) Operation costs include administration, equipment, furnishings, facility rent, utilities, internet service, and telephone; building maintenance and non-deferred repairs; food for shelter residents; vehicle maintenance, registration, repairs, security of facility, and fuel; building or equipment insurance; fidelity bond coverage; office and maintenance supplies; single audit expenses (if required), staff mileage reimbursement (for travel relating to ESGP service delivery), and pre-award travel expenses (for successful applicants to attend an orientation workshop).

(A) Non-deferred repairs are items that break during the contract period, such as:

(i) repairing a window that is broken;

(ii) repairs due to water damage;

(iii) repairing a broken furnace; or

(iv) repairing an air conditioning unit.

(B) Deferred repairs, classified as rehabilitation activities, are items which are inoperable or broken and in need of replacement prior to the application period.

(C) Equipment may include computers, printers, software, refrigerator, stove, tools, vehicles, etc. All equipment with a useful life of more than one year and an acquisition cost of \$500 or more must be included in a cumulative inventory report submitted to the Department each contract year. (Refer to Subchapter A, General Provisions §5.8 of this chapter (relating to Inventory Report)).

(D) Subrecipients who participate in a local continuum of care may use ESGP funds to facilitate the required Homeless Management Information System (HMIS) which may include the purchase of software and/or annual access fees to facilitate data collection and reporting of client-level information.

(3) Furnishings may include beds, mattresses, linens, desks, tables, chairs, etc.

(e) Homelessness Prevention. ESGP legislation limits homelessness prevention to 30% of the total state allocation (42 U.S.C. §11374(a)).

(1) Homelessness prevention funds may be used to provide direct monetary assistance on behalf of individuals whose annual income is at or below the federal poverty guideline when the conditions referenced in 24 CFR §576.3 are met.

(A) The individual or family is unable to make the required payments due to a sudden reduction in income or a sudden increase in expenses, i.e. sudden reduction in income may result from an event that occurs no more than ninety (90) days prior to the date of application for ESGP

services. Documentation should support the risk of becoming homeless such as an eviction notice or termination of utility service notice;

(B) The assistance is necessary to avoid the foreclosure, eviction, or termination of utility services (excluding telephone service); utility and rent deposit refunds from vendors must be reimbursed to the Subrecipient and not the client. Funds should be treated as program income;

(C) There is reasonable prospect that the individual or family will be able to resume the payments within a reasonable period of time (determined by the applicant organization and used consistently among all clients); and

(D) The assistance does not replace funding for pre-existing homelessness prevention activities from any other sources.

(2) Homelessness prevention funds must be used to assist those individuals and families that would actually become or remain homeless without ESGP homelessness prevention assistance (24 CFR §576.3) and include:

(A) Short-term subsidies to help defray rent and utility arrearages for families that have received a notice of eviction, termination of utility services, or payments to prevent the transfers;

(B) Security deposits or first month's rent to enable a homeless family (or individuals in emergency/transitional housing) to acquire permanent housing;

(C) Programs to provide mediation for landlord/tenant disputes;

(D) Programs to provide legal services for the representation of indigent tenants in eviction proceedings;

(E) Payments to prevent foreclosure on a home; and

(F) Other innovative programs and activities designed to prevent the incidence of homelessness.

(3) Subrecipients are required to use the ESGP homelessness prevention application to determine the eligibility of individuals and families applying for ESGP homelessness prevention assistance or utilize another application which obtains the same data.

(f) Rehabilitation. Rehabilitation is defined as the labor, materials, tools, and other costs of improving buildings.

(1) Examples of allowable rehabilitation projects include, but are not limited to:

(A) accumulated deferred maintenance (replacing flooring);

(B) replacement of principle fixtures and components;

(C) improvements to increase energy efficiency (replacing a furnace or air conditioning unit); and

(D) structural changes necessary to make the facility accessible for persons with physical disabilities.

(2) Rehabilitation projects include deferred repairs for items that are inoperable or broken and in need of replacement prior to the submission of the ESGP application. Rehabilitation does not include non-deferred repairs.

(3) All rehabilitation activity funded through ESGP must occur within the existing structure, must not increase the square footage of the structure involved, and must comply with local government safety and sanitation requirements. (Refer to §504 of the Rehabilitation Act of 1973, as amended, as provided in 24 CFR §8.23(a) or (b)). Types of rehabilitation projects include conversion, major rehabilitation and renovation (24 CFR §576.3).

(g) Subrecipients expending ESGP funds for essential services must have procedures established to ensure ESGP funds are being expended for ESGP eligible clients meeting the definition of homeless as per 42 U.S.C. §11302. In cases where multiple sources of funds, including ESGP, provide services, Subrecipients must establish procedures to ensure that the ESGP proportionate share of funds expended are benefiting ESGP eligible clients. Documentation verifying program eligibility for clients served with ESGP's proportionate share of the funds expended should be maintained.

#### **§5.310. Application Review Process.**

(a) Applications may be deemed ineligible for lack of response to Department ESGP monitoring report(s) and compliance and audit issues identified by the Department.

(b) Applicants not recommended for funding will be notified in writing no later than thirty (30) days from the date that the Department obligates funds.

(c) Applications recommended for funding will be presented to the board or its designee for approval, pending the availability of ESGP funds.

(d) Applicants not selected to receive ESGP funds may request a review of their application no later than thirty (30) days after the date of the written funding notification from the Department.

**DISASTER RECOVERY DIVISION**

**BOARD ACTION REQUEST  
January 20, 2010**

**Recommended Action**

Approve request for amendment to housing contract administered by TDHCA for CDBG Hurricane Ike/Dolly Round 1 Funding for CDBG Disaster Recovery Contract No. 70090011, Cameron County.

**RESOLVED**, that the Executive Director and his designees are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the amendments, in the form presented to this meeting, to be executed and delivered to Cameron County for Disaster Recovery Contract No. 70090011 as presented to this meeting, and to make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**Background**

**Cameron County 70090011**

Cameron County is proposing to amend Contract No. 70090011 by reducing the number of households served from 114 to 50. The amendment is being requested because the County has begun to assess applicant needs, and has determined that a larger number of households will require reconstruction assistance than originally anticipated. The current maximum assistance amount per household is \$25,000 for rehabilitation and \$65,000 for reconstruction. The County is not proposing to modify the maximum assistance levels with this amendment, and is not requesting any changes to existing budget categories.

**Contract Deliverables**

	<i>Current</i>	<i>Requested</i>	<i>Change</i>
<b>Repair, Reconstruction, New Construction</b>	\$2,812,500	\$2,812,500	\$0
<b>Project Delivery</b>	\$240,250	\$240,250	\$0
<b>Administration</b>	\$41,000	\$41,000	\$0
<b>Number of Households to be Served</b>	114	50	<64>

**Compliance and Asset Oversight**

**BOARD ACTION REQUEST**

**January 20, 2011**

Presentation, Discussion and Possible Action regarding the adoption of a final order adopting a new 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.129, concerning the Compliance Rules and a final order adopting repeal of 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.126.

**RECOMMENDED ACTION**

**RESOLVED**, that the adoption of the repeal and final order adopting the new rule 10 TAC, Chapter 60, Subchapter A, §§60.101 – 60.129, concerning the Compliance Rules, is hereby ordered and it is approved, together with the preamble presented to this meeting, for publishing in the *Texas Register*.

**FURTHER RESOLVED**, that the Executive Director and his designees be and each them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the Compliance Rules, in the form presented to this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The Department published the new 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.129 in the November 26, 2010 issue of the *Texas Register* to accept public comment on the new Compliance Rules. The public comment period was for 30 days and written comments were accepted through December 27, 2010. Since no significant changes were proposed, limited comment was received. Comment was received from (1) Brant Ince, AECC, Inc and (2) Richard Morrow, Locke Lord Bissell and Liddell, LLP. This document provides the Department's response to all comments received.

Commenter (2) made 167 style edits throughout the entire document for consistency. Staff agreed with most of the suggestions and made 126 style edit changes. However, some changes were not included because they are not industry standard language or staff determined it was not necessary to clarify the information further.

The only significant comment received was regarding the definition of substantial construction (§60.102(11)). Both commenters proposed revisions to the definition of substantial construction and staff agrees with the proposed changes, as shown below:

### Commencement of Substantial Construction--

(A) The minimum activity necessary to meet the requirements of Commencement of Substantial Construction ~~substantial construction~~ for new construction Developments will be defined as:

(i) delivery of an executed partnership agreement with the investor or other documents setting for the legal structure and ownership;

(ii) delivery of the executed construction loan and construction loan agreement;

(iii) Fifty percent completion of all onsite "wet" utilities (water, sanitary sewer, and storm sewer plus natural gas (if applicable) and building slab and foundation formwork started; ~~(iii) completion of the foundation of the clubhouse (if applicable);~~

(iv) having all infrastructure permits;

(v) all grading completed (not including landscaping);

~~(vi) all necessary utilities available at the property;~~

(vi) ~~(vii)~~ all Right of Way access; and

(vii) ~~(viii)~~ 10 percent of the construction contract amount for the Development expended, adjusted for any change orders and certified by the Architect of Record ~~inspecting architect.~~

(B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be defined as having:

(i) building permits issued or a clearance from the City stating that building permits are not required;

(ii) certification that all project documents, material and work items necessary to start and complete the project in the allotted time period have been adequately addressed as of the date of the certification; ~~(ii) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; and~~

(iii) certification that work is progressing on at least 20 percent of the units or buildings. ~~(iii) at least 20 percent of the construction budget expended as documented by the inspecting architect.~~

The rule and copies of all comment letters are provided in this action request. All changes as a result of public comment are shown in underline or strikethrough.

### **RECCOMENDATION**

Staff recommends Board approval to a final order to repeal §§60.101 – 60.126, and adopt new 10 TAC Chapter 60, Subchapter A, §§60.101 – 60.129.

### **Attachment A: Preamble, Reasoned Response, and Repeal**

The Texas Department of Housing and Community Affairs (the "Department") adopts the repeal 10 TAC Chapter 60, Subchapter A §§ 60.101 – 60.126, 2010 Compliance and Asset Oversight Compliance Rules, without changes to the proposal as published in the November 26, 2010, issue of the Texas Register (35 TexReg 10378 ) and will not be republished. This repeal is adopted in order to simplify and to provide in-depth technical assistance on the new Compliance Rules.

Public comment period was from November 26, 2010 through December 27, 2010 to receive input on the proposed and repealed rules and written comments were accepted by mail, e-mail and fax.

#### **No comments were received concerning the proposed repeal.**

The Board approved the final order adopting this repeal on January 20, 2011. The repeal of the sections is adopted pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

Listed below are the sections to be repealed:

- §60.101 Purpose and Overview
- §60.102 Definitions
- §60.103 Construction Monitoring
- §60.104 Recording of Land Use Restriction Agreement (HTC Properties)
- §60.105 Reporting Requirements
- §60.106 Record keeping Requirements
- §60.107 Notices to the Department
- §60.108 Determination, Documentation and Certification of Annual Income
- §60.109 Utility Allowances
- §60.110 Lease Requirements (HTC and HOME Properties)
- §60.112 Requirements Pertaining to Households with Rental Assistance
- §60.113 Onsite Monitoring
- §60.114 Monitoring for Social Services
- §60.115 Monitoring for Non-Profit Participation or HUB Participation
- §60.116 Property Condition Standards
- §60.117 Notice to Owners
- §60.118 Special Rules Regarding Rents and Rent Limit Violations
- §60.119 Notices to the Internal Revenue Service (HTC Properties)
- §60.120 Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period
- §60.121 Material Noncompliance Methodology
- §60.122 Previous Participation Reviews
- §60.123 Alternative Dispute Resolution (ADR)
- §60.124 Liability
- §60.125 Applicability
- §60.126 Temporary Suspensions of other Sections of this Subchapter



**Attachment B: Preamble, Reasoned Response, and New Rule**

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 60, Subchapter A §§ 60.101 – 60.129 concerning the Compliance Rules affecting all Rental Developments allocated and monitored by the Department with changes to the proposed text published in the November 26, 2010 issue of the Texas Register (35 TexReg 10378). The new rule also added sections §60.112 and §60.113 to provide clarity.

The new Compliance Rules ensure compliance with all statutory requirements, incorporate public comment, improve the quality, simplify the rules, and to provide in-depth technical assistance on compliance issues.

The Texas Department of Housing and Community Affairs accepted comments to the proposed rules by mail, email and fax from November 26, 2010 through December 27, 2010. Attached to this document are all of the comments received and staff responses.

The Compliance and Asset Oversight Division received comments through December 27, 2010 with comments received from (1) AECC, Inc and (2) Locke Lord Bissell and Liddell, LLP. The Division accepted all comments since they did not violate any statutory requirements, existing policy, guidelines or current rules.

**REASONED RESPONSE TO PUBLIC COMMENT ON THE PROPOSED ADOPTION OF 10 TAC CHAPTER 60, SUBCHAPTER A, THE COMPLIANCE RULES.**

**§60.102(11)(A)(iii) COMMENT (1)**

Commenter suggested that the required completion of the foundation of the clubhouse be removed as a threshold requirement of substantial construction and be replaced with the requirement of 50 percent completion of all onsite 'wet' utilities (water, sanitary sewer, and storm sewer plus natural gas if applicable) plus building slab/foundation formwork started.

**STAFF RESPONSE:** Staff agrees with the commenter and adding the language to the Compliance Rules.

**§60.102(11)(A)(viii)(iii) COMMENT (1)**

Commenter suggested that the words Architect of Record replace the verbiage of inspecting architect.

**STAFF RESPONSE:** Staff agrees with the commenter and added the language to the Compliance Rules.

**§60.102(11)(B)(iii) COMMENT (1)**

Commenter suggested that the certification, that there are no reasonable foreseeable issues or circumstance which may prevent of delay the start of progress of construction or timely successful completion of rehabilitation, be removed as a threshold requirement of substantial construction and be replaced with a certification that the Developer will certify that all project documents, material and work items necessary to start and complete the project in the allotted time period have been adequately addressed as of the date of the certification.

STAFF RESPONSE: Staff agrees with the commenter and added the language to the Compliance Rules.

§60.102(11)(B)(iii) COMMENT (1)

Commenter suggested that at least 20 percent of the construction budget expended as documented by the inspecting architect be removed as a threshold requirement of substantial construction and be replaced with the requirement that 20 percent of the units' or buildings' work has been completed.

STAFF RESPONSE: Staff agrees with the commenter and added the language to the Compliance Rules.

§60.103(f) COMMENT (1)

Commenter suggested the following language be added to this section of the rules to also include a certification from an Engineer of Record (if applicable) and certify that the property was also built in compliance with the design requirements.

STAFF RESPONSE: Staff agrees with the commenter and added the language to the Compliance Rules.

§60.103(f) and (g) COMMENT (2)

Commenter suggested that the words Final construction replace the current verbiage of construction completion.

STAFF RESPONSE: Staff agrees with the commenter and added the language to the Compliance Rules.

The Board Approved the Final Order adopting the new Compliance Rules on January 20, 2011.

The new sections are adopted pursuant to the authority of the Texas Government Code, Chapter 2306, which provides the Department the authority to adopt rules governing the administration of the Department and its programs. No other statutes, articles, or codes are affected by the new sections and rules.



**TITLE 10. COMMUNITY DEVELOPMENT.**  
**PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.**  
**CHAPTER 60. COMPLIANCE ADMINISTRATION.**  
**SUBCHAPTER A. COMPLIANCE MONITORING.**

**§60.101. Purpose and Overview.**

(a) This chapter satisfies the requirement of §42(m)(1)(B)(iii) Internal Revenue Code (Code) to provide a procedure that will be followed for monitoring for noncompliance with the provisions of the Code and to notify the IRS of such noncompliance. These rules are consistent with requirements established under applicable state and federal laws, rules, and regulations, and the Department will monitor in accordance with these rules. Nothing herein serves to waive, alter, or amend the requirements of any duly recorded Land Use Restriction Agreement "LURA". A party to a LURA wishing to have the LURA amended must submit a formal request to the Department, and the Department will review any such request to determine if it is acceptable and, if acceptable, specify any appropriate requirements for or conditions or limitations on any such amendment. The Department monitors rental Developments receiving assistance under:

- (1) the Housing Tax Credit program (HTC);
- (2) the HOME Investment Partnerships program (HOME);
- (3) the Tax Exempt Bond program (BOND);
- (4) the Housing Trust Fund program (HTF);
- (5) the Community Development Block Grant Disaster Recovery program (CDBG);
- (6) the Tax Credit Assistance Program (TCAP);
- (7) the Tax Credit Exchange Program (Exchange); and
- (8) the Neighborhood Stabilization Program (NSP).

(b) All Developments ~~properties~~ monitored by the Department are subject to the Department's enforcement rules, found in Subchapter C of this chapter.

(c) Compliance monitoring begins with the commencement of construction and continues to the end of the long term Affordability Period. The Compliance and Asset Oversight Division (CAO) monitors to ensure Owners comply with the program rules and regulations, Chapter 2306, Texas Government Code, the Land Use Restriction Agreement (LURA) requirements and conditions, and representations imposed by the Application or award of funds by the Department. These rules do not address forms and other records that may be required of Development Owners by the IRS or other governmental entities, whether for purposes of filing annual returns or supporting Development Owner tax positions during an IRS or other governmental audit.

**§60.102. Definitions.**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Other capitalized terms not defined herein are defined in §1.1 of this title.

(1) Affordability Period--The Affordability Period commences as specified in the Land Use Restriction Agreement (LURA) or federal regulation, or commences on the first day of the Compliance Period as defined by §42(i)(1) in the United States Internal Revenue Code of 1986 and continues through the appropriate program's affordability requirements or termination of the LURA, whichever is earlier. The term of the Affordability Period shall be imposed by the LURA or other deed restriction and may be terminated upon foreclosure. The Department reserves the right to extend the Affordability Period for HOME Developments

properties that fail to meet program requirements. During the Affordability Period the Department shall monitor to ensure compliance with programmatic rules, regulations, and Application representations.

(2) Architect of Record--The architect licensed in the jurisdiction that the project is located in, who prepares, stamps and signs the construction documents, and is legally recorded as the architect for the project.

(3) Continuously Occupied--The same household has resided in the Unit for at least twelve (12) months.

(4) Extended Use Period--With respect to a HTC building, the period beginning on the first day of the Compliance Period and ending the later of:

(A) the date specified in the Land Use Restriction Agreement; or

(B) the date which is fifteen (15) years after the close of the Compliance Period.

(5) Housing Quality Standards--The property condition standards described in 24 CFR §982.401 in the Code of Federal Regulations.

(6) HTC Development--Sometimes referred to as "HTC Property." A Development using Housing Tax Credits allocated by the Department.

(7) HUD-regulated Building--The rents and utility allowances of the building are reviewed by HUD on an annual basis.

(8) Material Noncompliance.

(A) A HTC or Exchange Development located within the state of Texas will be classified by the Department as being in Material Noncompliance status if the noncompliance score for such Development is equal to or exceeds a threshold of 30 points in accordance with the Material Noncompliance provisions, methodology, and point system of this title.

(B) Non-HTC Developments monitored by the Department with 1 - 50 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 30 points. Non-HTC Developments monitored by the Department with 51 - 200 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 50 points. Non-HTC Developments monitored by the Department with 201 or more Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 80 points.

(C) For all programs, a Development will be in Material Noncompliance if the noncompliance is stated in §60.123 of this chapter to be Material Noncompliance.

(9) Non-HTC Development--Sometimes referred to as Non-HTC Property. Any Development not utilizing Housing Tax Credits or Exchange funds.

(10) Owner--An individual, joint venture, partnership, limited partnership, trust, firm, corporation, limited liability company, other form of business organization or cooperative that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing Development, subject to the regulatory powers of the Department and other terms and conditions.

(11) Commencement of Substantial Construction--

(A) The minimum activity necessary to meet the requirements of Commencement of Substantial Construction ~~substantial construction~~ for new construction Developments will be defined as:

(i) delivery of an executed partnership agreement with the investor or other documents setting for the legal structure and ownership;

(ii) delivery of the executed construction loan and construction loan agreement;

(iii) Fifty percent completion of all onsite "wet" utilities (water, sanitary sewer, and storm sewer plus natural gas (if applicable) and building slab and foundation formwork started. ~~(iii) completion of the foundation of the clubhouse (if applicable);~~

(iv) having all infrastructure permits;

(v) all grading completed (not including landscaping);

~~(vi) all necessary utilities available at the property;~~

(vi) (vii) all Right of Way access; and

(vii) (viii) 10 percent of the construction contract amount for the Development expended, adjusted for any change orders and certified by the Architect of Record inspecting architect.

(B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be defined as having:

(i) building permits issued or a clearance from the City stating that building permits are not required;

(ii) certification that all project documents, material and work items necessary to start and complete the project in the allotted time period have been adequately addressed as of the date of the certification. ~~(ii) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; and~~

(iii) certification that work is progressing on at least 20 percent of the units or buildings. ~~(iii) at least 20 percent of the construction budget expended as documented by the inspecting architect.~~

(12) Unit Type--Units will be considered different Unit Types if there is any variation in the number of bedroom, bathrooms or a square footage difference equal to or more than one-hundred twenty (120) square feet. *Example 102(1):* A two (2) bedroom/one (1) bath Unit is considered a different Unit Type than a two (2) bedroom/two (2) bath Unit. A three (3) bedroom/two (2) bath Unit with 1,000 square feet is considered a different Unit Type than a three (3) bedroom/two (2) bath Unit with 1,200 square feet. A one (1) bedroom/one (1) bath Unit with 700 square feet will be considered equivalent to a one (1) bedroom/one (1) bath Unit with 800 square feet.

(13) UPCS--Uniform Physical Condition Standards as developed by the Real Estate Assessment Center of the Department of Housing and Urban Development.

### **§60.103. Construction Monitoring.**

(a) The Department will monitor the entire construction phase for all applicable requirements according to the level of risk. After Final Construction during the Affordability Period, the Department will periodically monitor the Development to assure that the initial compliance review was correct.

(b) The Department will not provide any funding to any Development unless the Owner certifies that the housing Development is, or will be upon completion of construction, in compliance with the following housing laws:

(1) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), and the Fair Housing Amendments of 1988 (42 U.S.C. §§3601, et seq.);

(2) the Civil Rights Act of 1964 (42 U.S.C. §§2000a, et seq.);

(3) the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101, et seq.); and

(4) Section 504, Rehabilitation Act of 1973 (29 U.S.C. §§701, et seq.). (§2306.257)

(c) Evidence of Commencement of Substantial Construction must be submitted no later than the deadline established in the Development's Commitment Notice. Four percent BOND

Developments properties are not required to submit evidence of Commencement of Substantial Construction.

(d) Copies of any construction reports supplied to a syndicator must be supplied to the Department upon request.

(e) Copies of any reports issued during construction that indicate changes that affect the representations made during the Application process must be supplied to the Department upon request.

(f) Owners are required to submit evidence of final construction construction completion within thirty (30) days of completion in a format prescribed by the Department. In addition, the Architect of Record must submit a certification that the Development was built in compliance with all applicable laws and the Engineer of Record (if applicable) must submit a certification that the Development was built in compliance with the design requirements.

(g) The Department will conduct a final inspection after receipt of notification of final construction construction completion. During the inspection, the Department will confirm that committed amenities have been provided and will inspect for compliance with the applicable laws referenced in subsection (b) of this section. In addition, a UPCS inspection may be completed.

(h) Owners will be provided a written notice after the final inspection. If any deficiencies are noted, a ninety (90) day corrective action period will be provided.

(i) Forms 8609 and final retainage will not be released until the Owner receives written notice from the Department that all noted deficiencies have been resolved.

(j) During any construction inspection, if the Owner and the Department are unable to agree that an identified issue is a violation, the Owner must request Alternative Dispute Resolution. The process for engaging ADR is outlined in §60.125 of this chapter.

#### **§60.104. Recording of Land Use Restriction Agreements (HTC Properties).**

(a) In general, no credit is allowable for a building unless there is a properly executed LURA in effect at the end of the first year of the Credit Period. A draft of the proposed LURA must be provided no later than September 1st of the calendar year in which the Owner intends to have it recorded. The Department cannot guarantee that a draft LURA received after September 1st will be processed in the same calendar year.

(b) LURAs will impose the rent and income restrictions identified in the Development's final underwriting report.

(c) The Department will not issue Forms 8609 until it receives the original, properly recorded LURA or has alternative arrangements, acceptable to the Department and its counsel, in place.

#### **§60.105. Reporting Requirements.**

(a) The Department requires reports to be submitted electronically through the Department's web-based Compliance Monitoring and Tracking System (CMTS) and in the format prescribed by the Department. The Electronic Compliance Reporting Filing Agreement and the Owner's Designation of Administrator of Accounts forms must be filed no later than September 1st of the year following the award. The Department will provide general instruction regarding the electronic transfer of data. Under special circumstances, the Department may, at its discretion, waive the online reporting requirements where a hardship can be demonstrated. In the absence of a written waiver, all Developments are required to submit reports online.

(b) Each Development is required to submit an Annual Owner's Compliance Report (AOCR). Depending on the Development property, some or all of the Report must be submitted. The

first AOCR is due the second year following the award. For example, if a Development is awarded funds in calendar year 2007, the first report is due in 2009. The AOCR is comprised of 4 sections:

(1) Part A "Owner's Certification of Program Compliance." All Development Owners must annually certify to compliance with applicable program requirements. The AOCR Part A shall include answers to all questions required by Treasury Regulation 1.42-5(b)(1) or the applicable program rules. In addition, Owners are required to report on the race and ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments of individuals and families applying for and receiving assistance. HTC Developments during the Compliance Period will also be required to provide the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

(2) Part B "Unit Status Report." All Developments must annually report the information related to individual household income, rent, certification dates and other necessary data to ensure compliance with applicable program regulations.

(3) Part C "Housing for Persons with Disabilities." The Department must establish a system that requires Owners of state or federally assisted housing Developments with 20 or more housing Units to report information regarding housing Units designed for persons with disabilities. The questions on Part C satisfy this requirement.

(4) Part D "Owner's Financial Certification." Developments funded by the Department must annually provide the data requested in the Owner's Financial Certification.

(c) Parts A, B and C of the Annual Owner's Compliance Report must be provided to the Department no later than March 1st of each year, reporting data current as of December 31st of the previous year (the reporting year). Part D, "Owner's Financial Certification", which includes the current audited financial statements and income and expenses of the Development for the prior year, must be submitted to the Department no later than the last day of April each year.

(d) Any Development for which the AOCR, Part A, "Owner's Certification of Program Compliance," is not received or is received past the due date will be considered not in compliance with this section. If Part A is incomplete, improperly completed, or is not submitted by the Development Owner, it will be considered not received and not in compliance with this section. The Department will report to the IRS on Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, any HTC Development that fails to comply with this requirement.

(e) Department staff will review Part A of the AOCR for compliance with the requirements of the appropriate program. If it appears that the Development is not in compliance based upon the report, the Owner will be given written notice and provided a corrective action period to clarify or correct the report. If the Owner does not respond to the notice, the report will be subject to the sanctions listed in subsections (f) and (g) of this section.

(f) If any required section, or sections (Parts A, B, C or D), of the report are not received on or before the deadline for submission specified in subsection (c) of this section, a notice of noncompliance will be sent to the Owner, specifying a corrective action deadline. If the report is not received on or before the corrective action deadline, the Department shall:

(1) For all HTC Developments properties, issue Form 8823 notifying the IRS of the violation; and

(2) For all Developments properties, score the noncompliance in accordance with §60.123 of this chapter.

(g) The Department may assess and enforce the following sanctions against an Owner who fails to submit the AOCR on or before March 1st of each year and has multiple, consistent, and/or repeated violations of failure to submit the AOCR by March 1st of each year:



- (1) a late processing fee in the amount of \$1,000; and/or
- (2) a HTC Development that fails to submit the required AOCR for three (3) consecutive years may be reported to the IRS as no longer in compliance and never expected to comply.
- (h) Periodic Unit Status Reports. All Developments must submit a Quarterly Unit Status report to the Department through the Compliance Monitoring and Tracking System (CMTS). Quarterly reports are due in January, April, July, and October on the 10th day of the month. The report must show occupancy as of the last day of the previous month for the reporting period. For example, the report due October 10th should report occupancy as of September 30th. The first quarterly report is due January 10, 2010.
- (i) Owners are encouraged to continuously maintain current resident data in the Department's CMTS. Under certain circumstances, such as in the event of a natural disaster, the Department may require all Developments to provide current occupancy data through CMTS.
- (j) All rental Developments funded or administered by the Department will be required to submit a current Unit Status Report prior to an onsite monitoring visit.
- (k) Exchange developments must submit form 8609 with lines 7, 8(b), 9(b), 10(a), 10(c) and 10(d) thirty days after the Department issues the executed form(s).

**§60.106. Record Keeping Requirements.**

- (a) Development Owners must comply with program recordkeeping requirements. Records must include sufficient information to comply with the reporting requirements of §60.105 of this chapter and any additional programmatic requirements. HTC Development Owners must retain records sufficient to comply with the reporting requirements of Treasury Regulation 1.42-5(b)(1). Records must be kept for each qualified Low Income Unit and building in the Development, commencing with lease up activities and continuing on a monthly basis until the end of the Affordability Period.
- (b) Each Development that is administered by the Department must retain records as required by the specific funding program rules and regulations. In general, retention schedules include but are not limited to the provision of subsections (c) - (f) of this section.
- (c) HTC records must be retained for at least six years after the due date (with extensions) for filing the federal income tax return for that year; however, the records for the first year of the Credit Period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building (§1.42-5(b)(2) of the Code).
- (d) Retention of records for HOME rental Developments and the CDBG Disaster Recovery program must comply with the provisions of 24 CFR §92.508(c), which generally requires retention of rental housing records for five years after the Affordability Period terminates.
- (e) Housing Trust Fund (HTF) rental Developments must retain tenant files for at least three years beyond the date the tenant moves from the Development. Records pertinent to the funding of the award, including but not limited to the Application, and Development costs and documentation, must be retained for at least five years after the Affordability Period terminates.
- (f) Other rental Developments funded or administered in whole or in part by the Department must comply with record retention requirements as required by rule or deed restriction.

**§60.107. Notices to the Department.**

- (a) If any of the events in paragraphs (1) - (3) of this subsection occur, written notice must be provided to the Department within the timeframes as follows:
  - (1) Any sale, transfer, or exchange-of the Development or any portion of the Development. Notification must be provided at least thirty (30) days prior to this event.

(2) The Development suffers in whole or in part a casualty loss. Notification must be provided within thirty (30) days following the event of loss using the Department's Notice of Casualty Loss (for general casualty losses) or Notice of Disaster Casualty Loss (specific to loss as a result of a Presidentially Declared Disaster).

(3) Owners of Bond Developments shall notify the Department of the date 10 percent of the Units are occupied and the date 50 percent of the Units are occupied within ninety (90) days of such dates.

(b) Owners are responsible for maintaining current information (including contact persons, physical addresses, mailing addresses, email addresses, and phone numbers) for the Ownership entity and management company in the Department's Compliance Monitoring and Tracking System (CMTS). Treasury Regulations require the Department to notify Housing Tax Credit Owners of upcoming reviews and instances of noncompliance. The Department will rely on the information supplied by the Owner in CMTS to meet this requirement.

#### **§60.108. Determination, Documentation and Certification of Annual Income.**

(a) For all rental programs administered by the Department, annual income shall be determined consistent with the Section 8 Program, using the definitions of annual income described in HUD Handbook 4350.3 as amended from time to time. At the time of program designation as a low income household, Owners owners must certify and document household income. In general, all low income households must be certified prior to move in.

(b) The Department permits Owners to use check stubs or other firsthand documentation of income and assets provided by the applicant or household in lieu of third party verification forms. It is not necessary to first attempt to obtain a third party verification form as required by the HUD 4350.3.

(c) The Department requires the use of the TDHCA Income Certification form, unless the property also participates in the Rural Development or a project Based HUD program, in which case, the other program's income certification form will be accepted.

#### **§60.109. Utility Allowances.**

(a) The Department will monitor to determine if HTC, HOME, BOND, HTF, CDBG, NSP, TCAP and Exchange properties comply with published rent limits which include an allowance for tenant paid utilities. For HTC, TCAP and Exchange buildings, if the residents pay utilities directly to the Owner owner-of the building or to a third party billing company, and the amount of the bill is based on an allocation method or "ratio utility billing system" (RUBS), this monthly amount will be considered a mandatory fee. For HTC, TCAP and Exchange buildings, if the residents pay utilities directly to the Owner-owner of the building or to a third party billing company, and the amount of the bill is based on the tenant's actual consumption, Owner owners may account for the utility in an allowance. The rent, plus all mandatory fees, plus an allowance for those utilities paid by the resident directly to a utility provider, must be less than the allowable limit. For HOME, BOND, HTF, NSP and CDBG buildings, Owners may account for utilities paid directly to the Owner owner-or to a third party billing company in their utility allowance. Where residents are responsible for some, or all, of the utilities--other than telephone, cable, and internet--Development Owners must use a utility allowance that complies with both this section and the applicable program regulations. An Owner may not change utility allowance methods without written approval from the Department. Any such request must include the Utility Allowance Questionnaire found on the Department's website.

(b) Rural Housing Service (RHS) buildings or buildings with RHS assisted tenants. The applicable utility allowance for the Development will be determined under the method prescribed by the Rural Housing Service (or successor agency). No other utility method

described in this section can be used by RHS buildings or buildings with RHS assisted tenants.

(c) HUD-Regulated buildings layered with any Department program. If neither the building nor any tenant in the building receives RHS rental assistance payments payment, and the rents and the utility allowances of the building are reviewed by HUD on an annual basis (HUD-regulated building), the applicable utility allowance for all rent restricted Units in the building is the applicable HUD utility allowance. No other utility method described in this section can be used by HUD-regulated buildings.

(d) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the following methods:

(1) The utility allowance established by the applicable Public Housing Authority (PHA) for the Section 8 Existing Housing Program. The Department will utilize Texas Local Government Code Chapter 392 to determine which PHA is the most applicable to the Development. If the PHA publishes different schedules based on building type, the Owner owner is responsible for implementing the correct schedule based on the Development's development's building type(s). *Example 109(1): The applicable PHA publishes a separate utility allowance schedule for Apartments (5+ units), one for Duplex/Townhomes and another for Single Family Homes. The Development development consist of 20 building, 10 of which are Apartments (5+ units) and the other 10 buildings are Duplexes. The Owner owner must use the correct schedule for each building type.* In the event the PHA publishes a utility allowance schedule specifically for energy efficient units, the Owner owner must demonstrate that the building(s) meet the housing authority's specifications for energy efficiency on an ongoing basis. If the property is located in an area that does not have a municipal, county or regional housing authority that publishes a utility allowance schedule for the Section 8 Existing Housing Program, Owners owners must select an alternative methodology. If the applicable PHA allowance lists flat fees for any utility, those flat fees must be included in the calculation of the utility allowance if the resident is responsible for that utility. If an Owner chooses to implement a methodology as described in paragraphs (2), (3), (4), or (5) of this subsection, for Units occupied by Section 8 voucher holders, the utility allowance remains the applicable PHA utility allowance established by the PHA from which the household's voucher is received.

(2) A written estimate from a local utility provider. If there are multiple utility companies that service the Development, the local provider must be a residential utility company that offers service to the residents of the Development requesting the methodology. The Department will use the Texas Electric Choice website: <http://www.powertochoose.org/> to verify the availability of service. If the utility company is not listed as a provider in the Development's ZIP code, the request will be denied. Additionally, the estimate must be signed by the utility provider representative and specifically include all "component charges" for providing the utility service. Receipt of the information from the utility provider begins the ninety (90) day period after which the new utility allowance must be used to compute gross rent.

(3) The HUD Utility Model Schedule. A utility estimate can be calculated by using the "HUD Utility Model Schedule" that can be found at <http://www.huduser.org/portal/resources/utilmodel.html> (or successor URL). The rates used must be no older than the rates in effect sixty (60) days prior to the beginning of the ninety (90) day period in which the Owner intends to implement the allowance. For Owners calculating a utility allowance under this methodology, the model, along with all back-up documentation used in the model, must be submitted to the Department, on a CD, within the timeline described in subsection (f) of this section. The date entered as the "Form Date" on

the "Location" tab of the spreadsheet will be the date used to begin the ninety (90) day period after which the new utility allowance must be used to compute gross rent.

(4) An energy consumption model. The utility consumption estimate must be calculated by a properly licensed mechanical engineer or an individual holding a valid Residential Energy Service Network (RESNET) or Certified Energy Manager (CEM) certification. The individual must not be related to the Owner within the meaning of §267(b) or §707(b) of the Code. The utility consumption estimate must, at minimum, take into consideration specific factors that include, but are not limited to, Unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of building location. The ninety (90) day period after which the new utility allowance must be used to compute gross rent will begin sixty (60) days after the end on the last month of the twelve (12) month period for which data was used to compute the estimate.

(5) An allowance based upon an average of the actual use of similarly constructed and sized Units in the building using actual utility usage data and rates, provided that the Development Owner has the written permission of the Department. This methodology is referred to as the "Actual Use Method".

(e) For a Development Owner to use the Actual Use Method they must:

(1) provide a minimum sample size of usage data for at least five (5) Continuously Occupied Units of each Unit Type or 20 percent of each Unit Type whichever is greater. *Example 109(2):* A Development has twenty (20) three bedroom/one bath Units, and eighty (80) three bedroom/two bath Units. Each bedroom/bathroom equivalent Unit is within 120 square feet of the same floor area. Data must be supplied for at least five (5) of the three bedroom/one bath Units, and sixteen (16) of the three bedroom/two bath Units. If there are less than five (5) Units of any Unit Type, data for 100 percent of the Unit Type must be provided.

(2) scan the following information ~~must be scanned~~ onto a CD and submit it submitted to the Department no later than the beginning of the ninety (90) day period in which the Owner intends to implement the allowance, reflecting data no older than sixty (60) days prior to the ninety (90) day implementation period. *Example 109(3):* The utility provider releases the information regarding electric usage at Westover Townhomes on February 5, 2010. The data provided is from February 1, 2009 through January 31, 2010. The Owner must submit the information to the Department no later than March 31, 2010 for the information to be valid.

(A) An Excel spreadsheet listing each Unit for which data was obtained to meet the minimum sample size requirement of a Unit Type, the number of bedrooms, bathrooms and square footage for each Unit, the household's move-in date, the actual kilowatt usage, for each Unit for which data was obtained, and the rates in place at the time of the submission.

(B) A copy of the request to the utility provider (or billing entity for the utility provider) to provide usage data.

(C) All documentation obtained from the utility provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider.

(D) The rent roll showing occupancy as of the end of the month for the month in which the data was requested from the utility provider.

(E) Documentation of the current utility allowance used by the Development.

(3) Upon receipt of the required information, the Department will determine if the Development Owner has provided the minimum information necessary to calculate an allowance using the Actual Use Method. If so, the Department shall calculate the utility allowance for each bedroom size using the following guidelines:

- (A) If data is obtained for more than 20 percent or five (5) of each Unit Type, all data will be used to calculate the allowance.
- (B) If more than twelve (12) months of data is provided for any Unit, only the data for the most current twelve (12) months will be averaged.
- (C) The allowance will be calculated by multiplying the average units of measure for the applicable utility (i.e. kilowatts over the last twelve (12) months by the current rate) for all Unit Types within that bedroom size. For example, if sufficient data is supplied for eighteen (18) two bedroom/one bath Units, and twelve (12) two bedroom/two bath Units, the data for all 30 Units will be averaged to calculate the allowance for all two bedroom Units.
- (D) The allowance will be rounded up to the next whole dollar amount. If allowances are calculated for different utilities, each utility's allowance will be rounded up to the next whole dollar amount and then added together for the total allowance.
- (E) If the data submitted indicates zero (0) usage for any month, the data for that Unit will not be used to calculate the Utility Allowance.
- (4) The Department will complete its evaluation and calculation within forty five (45) days of receipt of all the information requested in paragraph (2) of this subsection.
- (5) Receipt of approval from the Department will begin the ninety (90) day period after which the new utility allowance must be used to compute gross rent.
- (6) For newly constructed Developments or Developments that have Units which have not been continuously occupied, the Department, on a case by case basis, may use consumption data for Units of similar size and construction in the geographic area to calculate the utility allowance.
- (f) Effective dates. If the Owner uses the methodologies as described in subsections (b), (c), or (d)(1) of this section, any changes to the allowance can be implemented immediately, but must be implemented for rent due ninety (90) days after the change. For methodologies as described in subsection (d)(2) - (5) of this section, the allowance cannot be implemented until the estimate is submitted to the Department and is made available to the residents by posting in a common area of the leasing office at the Development. This action must be taken by the beginning of the ninety (90) day period in which the Owner intends to implement the utility allowance. With the exception of the methodology described in subsection (d)(5) of this section, if a response is not received from by the Department within the ninety (90) day period, the Owner may temporarily use the submission as a safe harbor until the Department provides written authorization (the Owner cannot assume that the allowance is approved by the Department but can operate in good faith prior to notification). Failure to submit the proposed utility allowance to the Department and make it available to the residents will result in a finding of noncompliance.
- (g) Requirements for Annual Review. Owners utilizing the methods described in subsection, (b) and (c) must demonstrate the utility allowance has been reviewed annually. Any change in the method described in subsection (d)(1) of this section can be implemented immediately, but must be implemented for rent due ninety (90) days after the change. Owners utilizing the methods described in subsection (d)(2) - (5) of this section must submit to the Department, once a calendar year, copies of the utility estimate and simultaneously make the estimate available to the residents by posting the estimate in a common area of the leasing office at the Development. Changes in utility allowances cannot be implemented until the estimate has been submitted to the Department and made available to the residents by posting in the leasing office for a ninety (90) day period. The back-up documentation required by the methodology the Owner has chosen must be submitted to the Department for approval no later than October 1st; however, the Department encourages Owners to submit

documentation prior to the October 1st deadline in order to ensure that the Department has adequate time to review and respond to the Owner's estimate.

(h) **Combining Methodologies.** With the exception of HUD regulated buildings and RHS buildings, Owners may combine any methodology described in this section for each utility service type paid directly by the resident and not by or through the Owner of the building (electric, gas, etc.). For example, if residents are responsible for electricity and gas, an Owner may use the appropriate PHA allowance to determine the gas portion of the allowance and use the Actual Use Method to determine the electric portion of the allowance.

(i) **Increases in Utility Allowances for Developments with HOME funds.** Unless otherwise instructed by HUD, the Department will permit owners to implement changes in utility allowance in the same manner as HTC Developments. ~~Housing Tax Credit program~~

(j) **The Owner owner shall maintain and make available for inspection by the tenant the data upon which the utility allowance schedule is calculated.** Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling Unit of the tenant at the convenience of both the ~~apartment-~~ Owner owner and tenant.

#### **§60.110. Lease Requirements (HTC and HOME Developments Properties).**

(a) For HTC Development properties, Revenue Ruling 2004-82 prohibits the eviction or termination of tenancy of low income households for other than good cause throughout the entire Affordability Period, and for three (3) years after termination of an extended low-income housing commitment. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or terminations of tenancy for other than good cause are prohibited.

(b) For HOME Developments properties, the HOME Final Rule prohibits Owners from evicting low income residents or refusing to renew a lease except for serious or repeated violations of the terms and conditions of the lease, for violations of applicable federal, state or local law, for completion of the tenancy period for transitional housing, or for other good cause. To terminate tenancy, the Owner must serve written notice to the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or non-renewal of leases for other than good cause are prohibited (24 CFR §92.253).

(c) The Department does not determine if an Owner has good cause or if a resident has violated the lease terms. If there is a challenge to a good cause eviction, that determination will be made by a court of competent jurisdiction or an agreement of the parties in arbitration. The Department will rely on the court decision or the agreement of the parties.

(d) HTC and BOND Developments properties must use a lease or lease addendum that requires households to report changes in student status.

(e) Owners of HTC Housing Tax Credit Developments are prohibited from locking out or threatening to lock out any Development resident, or seizing or threatening to seize the personal property of a resident, except by judicial process, for the purposes of performing necessary repairs or construction work, or in cases of emergency. These prohibitions must be included in the lease or lease addendum.

#### **§60.111 Annual Recertification for all Programs and Student Requirements for HTC, Exchange, TCAP and BOND Developments.**

(a) **Recertification Requirements for 100 percent low income HTC, Exchange and TCAP Developments:**

(1) Regardless of the requirements stated in a LURA, the Department will not monitor to determine if 100 percent low income HTC Housing Tax Credit Developments perform annual income recertifications. Households will maintain the designation they had at initial certification.

(2) To comply with HUD reporting requirements, once every calendar year, the Development must collect a self certification from each household that reports the following: the number of household members, age, ethnicity, race, disability status, rental amounts and rental assistance (if any). In addition, the self certification will collect information about student status to establish ongoing compliance with the HTC program. The Development must collect this self certification information on the Department's Annual Eligibility Certification form (AEC) and must maintain the certification in all household files.

(3) One-Hundred percent low income HTC Developments that continue to complete annual income recertifications are required to obtain the AEC form described above and maintained it in all household files. The Department will not review recertification documentation during a monitoring review unless noncompliance is identified with the initial certification. Failure to complete the AEC form will result in a noncompliance finding under, "Failure to maintain or provide Annual Eligibility Certification" and scored in the Department's Compliance Status System as applicable.

(b) Recertification Requirement for Mixed Income HTC, Exchange and TCAP Developments: HTC projects (as defined on Part II question, 8b of IRS form 8609) with Market Units must complete annual income recertifications. See §60.112 for maintaining compliance with the Available Unit Rule.

(c) Student Requirements for HTC, Exchange and TCAP Developments: Changes to student status reported by the household at anytime during their occupancy or on the AEC require the Owner to determine if the household continues to be eligible under the HTC program. During the Compliance Period period, if the household is comprised of full-time students, the household must meet a HTC program exception, and supporting documentation must be maintained in the household's file. The Development must have a statement in a lease addendum (or in their lease contract) that requires households to report changes in their student status. During the Compliance Period, Noncompliance with this section will result in the issuance of IRS form 8823 reporting noncompliance under, "Low-income Units occupied by nonqualified full-time students" and scored in the Department's Compliance Status System as applicable. Regardless of the requirements stated in a LURA, after the Compliance Period, the Department will not monitor to determine if households meet the student requirements of the Housing Tax Credit program.

(d) Recertification Requirements for BOND Developments:

Regardless of the requirements stated in a LURA the Department will not monitor to determine if 100 percent income restricted Bond Developments developments-(all units required to be leased to low-income and eligible tenants) perform annual income recertifications. Households will maintain their designation they had at initial certification.

(e) Student Requirements for BOND Developments:

Bond Developments must continue to annually screen households for student status. The Owner must use the Department's Certification of Student Eligibility form and it must be maintained in the household's file. Changes to student status that the household reports at anytime during their occupancy or during annual screening for student status, require the Owner to determine if the household continues to be eligible under the Bond program. If the household is comprised of full-time students then the household must meet a program exception, which must be documented and maintained in the household's file. If the household is not an eligible student household, it may be possible to re-designate the full-

time student household to a Eligible Tenant (ET). The Development must have a statement in a lease addendum (or in their lease contract) that requires households to report changes in their student status. Noncompliance with this section will result in a noncompliance finding under, "Low-income Units occupied by nonqualified full-time students" and scored in the Department's Compliance Status System as applicable.

(f) Recertification Requirements for HOME Developments:

(1) For HOME Investment Partnership Developments, in accordance with 24 CFR §92.203 and §92.252 of the HOME Final Rule, regardless of the requirements stated in a LURA, recertification requirements will be monitored as shown in paragraph (2)(A) – (E) of this subsection.

(2) HOME Developments must complete a recertification with verifications of each HOME assisted Unit every sixth year of the Development's affordability period. For purposes of this section the beginning of a HOME Development affordability period is the effective date on the first page of the HOME LURA. For example, a HOME Development with a LURA effective date of May 2001 will have the sixth year of the affordability period determined in *Example 111(1)*:

(A) Year 1: May 2001 – April 2002

(B) Year 2: May 2002 – April 2003

(C) Year 3: May 2003 – April 2004

(D) Year 4: May 2004 – April 2005

(E) Year 5: May 2005 – April 2006

(F) Year 6: May 2006 – April 2007

(3) In this scenario above, all households in HOME Units must be recertified with source documentation between May 2006 to April 2007, even if a household moved in to the Development in 2005. In the intervening years the Development must collect a self certification from each household that is assisted with HOME funds. The form must report the following: the number of household members, age, income and assets, ethnicity, race, disability status, rental amounts and rental assistance (if any). The Development must use the Department's Income Certification form to collect this information and it must be maintained in the household's file. Noncompliance with this section will result in a noncompliance finding of, "Owner failed to maintain or provide tenant annual income recertification" and scored in the Department's Compliance Status System as applicable. If the household reports on their self certification that their household income is above the current 80 percent applicable income limit or there is evidence that the household's written statement failed to completely and accurately provide information about the household's characteristics and/or income, then a recertification with verifications is required.

(4) Fixed HOME Developments (defined as 100 percent of the Units in the Development are HOME assisted); that contain households with an annual income greater than the 80 percent applicable income limit at recertification must be designated as over income (OI) and the rent charged must be 30 percent of the household's adjusted income. The Next Available Unit must be leased to a household with an income and rent less than either the Low or High HOME limit depending on what designation the Development needs to maintain compliance with the HOME LURA. Noncompliance with this section will result in a noncompliance finding of "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(5) Floating HOME Developments with Market Units (defined when only a percentage of the Units are HOME assisted);—that contain households with income greater than 80 percent at recertification must be designated as over income (OI) and the rent charged will be the



lesser of 30 percent of the household's adjusted income or comparable Market rent. The Next Available non-HOME Unit on the Development must be leased to a household with income and rent less than either the Low or High HOME limit depending on what designation the Development needs to maintain compliance with the HOME LURA. The OI household may be redesignated as Market once the OI Unit is replaced with another low-income Unit and in accordance with the lease terms. A 30 day written notice of a rent increase must be provided to the OI household. Noncompliance with this section will result in a noncompliance finding of, "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(6) One-hundred percent low income HOME Developments layered with other Department affordable housing programs, that contain household's with income greater than 80 percent at recertification, must be designated as over income (OI) under the HOME program. The rent charged must be the lesser of 30 percent of the household's adjusted income or the gross rent allowable under the other program's rent limit. The Development must maintain compliance with all applicable program rent requirements. Noncompliance with this section will result in a noncompliance finding of, "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(g) Recertification Requirements for One-Hundred Percent HTF Developments: Regardless of the requirements stated in a LURA, the Department will not monitor to determine if 100 percent low income HTF Housing Trust Fund Developments performed annual income recertifications. The household will maintain its initial low-income designation at move in and throughout the household's occupancy i.e. (Extremely Low Income, Very Low Income and Low Income) provided that the Owner does not charge gross rent in excess of the applicable rent limit.

(h) Recertification Requirements for HTF Developments with Market units: HTF Housing Trust Fund Developments with Market Units in one or more buildings (as evidenced in their LURA) must perform annual income recertifications of all households residing in HTF Program Units. The HTF program requires Developments to comply with the Available Unit Rule. If a household's income exceeds 140 percent of the recertification limit (highest income tier), the household must be redesignated as over-income (OI) and the Next Available Unit on the Development property must be leased to a household with an income and rent less than the (EVI, VL and LI) limit depending on what designation the Development property needs to maintain compliance with the LURA. The OI household may be redesignated in accordance with lease terms as Market once the OI Unit is replaced with another low-income Unit.

(i) Recertification Requirements for CDBG and NSP Developments: A CDBG or NSP Developments are not required to perform annual recertifications unless the CDBG and NSP LURAs specifies this requirement.

### **60.112 Managing Additional Income and Rent Restrictions for HTC, Exchange and TCAP Developments.**

(a) Under the Code, HTC Development Owners elect a minimum set-aside requirement of 20/50 or 40/60 (20 percent of the Units restricted to the 50 percent income and rent limit, or 40 percent of the Units restricted at the 60 percent income and rent limits). The minimum set-aside elected sets the maximum income and rent limits for the low-income units on the Development. Many Developments have additional income and rent requirements (i.e. 30 percent, 40 percent and 50 percent) that are lower than the minimum set-aside requirement. This requirement is referred to as "additional occupancy restrictions" and is reflected in the

Development's Land Use Restriction Agreement (LURA). The Department will examine the actual gross rent and income levels of all households to determine if the additional income and rent requirements of the LURA are met.

(b) For One-Hundred percent HTC Developments that are not required to perform annual recertification, regardless of the requirements stated in the Development's LURA, the additional rent and occupancy restrictions will be monitored as follows:

(1) Households initially certified at the 30 percent income and rent limits. Households will maintain their designation they had at initial move-in. The Unit will continue to meet the 30 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 30% rent limit. When the household vacates the Unit, the next available Unit on the Development property is leased to a household with an income and rent less than the 30 percent limit.

(2) Households initially certified at the 40 percent income and rent limits. Households will maintain their designation they had at initial move in. The Unit will continue to meet the 40 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 40% rent limit. When the household vacates the Unit, the next available Unit on the Development property is leased to a household with an income and rent less than the 40 percent limit.

(3) Households initially certified at the 50 percent income and rent limits. Households will maintain their designation they had at initial move in. The Unit will continue to meet the 50 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 50 percent rent limit. When the household vacates the Unit, the next available Unit on the Development property is leased to a household with an income and rent less than the 50 percent limit.

(c) Mixed Income HTC Housing Tax Credit Developments with Market Units will be monitored as follows:

(1) The HTC Housing Tax Credit program requires Mixed Income Developments with Market Units to comply with the Available Unit Rule. When a household's income at recertification exceeds 140 percent of the applicable current income limit elected by the minimum set-aside, the owner must comply with the Available Unit Rule and lease the next available unit (same size or smaller) in the building to a low-income household to maintain compliance. For HTC Developments that are required to perform annual recertifications, the additional rent and occupancy restrictions will be monitored as follows:

(A) Households initially certified at the 30, 40 or 50 percent income and rent limits.

(B) Households will maintain the designation they had at initial move in unless the household's income exceeds 140 percent of the highest income tier established by the minimum set-aside. The Unit will continue to meet the designation that had at initial certification provided that the Owner does not charge gross rent in excess of the additional rent and occupancy rent limit.

(C) The household will not be required to vacate the Unit for other than good cause. When the household vacates the Unit, the next available Unit on the Development property must be leased so as to meet the Development's property's additional rent and occupancy restrictions.

(D) If the household's income exceeds 140 percent of the highest income tier established by the minimum set-aside the household must be redesignated as over-income (OI) and the Next Available Unit Rule must be followed. *Example 112(1)*: A household was initially certified at the 40 percent income limit at move in. The household's income increases at recertification above the 40 percent income limit to the 50 percent income limit. The Unit will continue to meet the 40 percent set-aside requirement provided that the Owner does not

charge rent in excess of the 40 percent rent limit. When the household vacates the Unit, the Next Available Unit on the Development property is leased to a household with an income and rent less than the 40 percent limits.

(2) This section of the rule does not require HTC Developments to lease more Units under the additional occupancy restrictions than established in their LURA.

#### **60.113 Household Unit Transfer Requirements for all Programs.**

(a) Household Transfers for One-Hundred percent HTC, Exchange and TCAP Developments: For ~~HTC Housing Tax Credit~~ Developments that are 100 percent low-income, a household may transfer to any Unit within the same project, as defined as a multiple building project on Part II, question 8b of the IRS form 8609. If the Owner elected to treat each building as a separate project, as defined on Part II, question 8b of the 8609 form, households must be certified as low-income (determined by the Development's minimum set-aside election) prior to moving to another building on the Development property.

(b) Household Transfers for Mixed Income HTC, Exchange and TCAP Developments: For ~~HTC Housing Tax Credit~~ Developments that are Mixed Income with Market Units, a household may transfer to another building in the same project, as defined as a multiple building project on Part II of the IRS form 8609 if the household was not ~~OI Over-Income~~ at the time of the last annual income recertification. If the Owner elected to treat each building as a separate project, as defined on Part II of the IRS form 8609, households must be certified as low-income (determined by the Development's minimum set-aside election) prior to moving to another building on the Development property.

(c) BOND, HTF, HOME, CDBG and NSP for Household Transfers: For BOND, HTF, HOME, CDBG and NSP Developments that are 100 percent low-income, a household may transfer to any Unit within the Development. If the Development has Market Units in one or more buildings (as evidenced in their LURA), a household may transfer to any Unit within the Development as long as the household is income certified for the new Unit prior to transfer. The household must be redesignated under the current income limit for each program requirement(s). If the Development is layered with Housing Tax Credits, default to transfer guidelines under the HTC rules.

(d) Household Transfers in the Same Building for all Programs:

A Household may transfer to a new Unit within the same building. The unit designations will swap status. *Example 113(1)*: Building 1 has 4 low-income Units. Units 1 through 3 are occupied by low-income households and Unit 4 is a vacant low-income unit. The household in Unit 2 moves to Unit 4 and the Unit designations swap status. Unit 2 is now a vacant low-income unit.

#### **§60.114. Requirements Pertaining to Households with Rental Assistance.**

(a) The Department will monitor to ensure Development Owners comply with §2306.269 and §2306.6728, Texas Government Code, regarding residents receiving rental assistance under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437f).

(b) The policies, standards and sanctions established by this section apply only to:

(1) multifamily housing developments that receive the following assistance from the Department on or after January 1, 2002 (§2306.185 of the Texas Government Code);

(A) a loan or grant in an amount greater than 33 percent of the market value of the Development on the date the recipient took legal possession of the Development, or

(B) a loan guarantee for a loan in an amount greater than 33 percent of the market value of the Development on the date the recipient took legal title to the Development.

(2) multifamily rental housing Developments that applied for and were awarded housing tax credits after 1992;

(3) housing developments that benefit from the incentive program under §2306.805 of the Texas Government Code; and

(4) housing Developments that receive funding from the HOME program (24 CFR §92.252(d)).

(c) Owners of multifamily rental housing developments described in subsection (a) of this section are prohibited from:

(1) excluding an individual or family from admission to the Development because the individual or family participates in the HOME Tenant Based Rental Assistance Program or the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437f); and

(2) using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than 2.5 times the individual's or family's share of the total monthly rent payable to the Owner of the Development. A household participating in the voucher program or receiving any other type of rental assistance may not be required to have a minimum income exceeding \$2,500 per year.

(d) To demonstrate compliance with this section, Owners shall:

(1) State in their leasing criteria that the Development will comply with state and federal fair housing and antidiscrimination laws;

(2) Apply screening criteria uniformly, (rental, credit, and/or criminal history) including employment policies, and in a manner consistent with the Texas and Federal Fair Housing Acts, program guidelines, and the Department's rules;

(3) Approve and distribute an Affirmative Marketing Plan that will be used to attract prospective applicants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability, familial status, or religious affiliation. Racial groups to be marketed to may include White, African American, Native American, Alaskan Native, Asian, Native Hawaiians or Other Pacific Islanders. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino groups, persons with disabilities, families with children, or persons with different religious affiliations. The Affirmative Marketing ~~Plan~~ plan must be provided to the property management and onsite staff. Owners are encouraged to use HUD Form 935.2A, and may use any version of this Form as applicable. The Affirmative Marketing Plan must identify the following:

(A) Which group(s) the Owner believes are least likely to apply for housing at the Development without special outreach. All Developments must select persons with disabilities as one of the groups identified as least likely to apply. When identifying racial/ethnic minority groups the Development property will market to, factors such as the characteristics of the housing's market area should be considered. *Example 114(1)*: An Owner obtains census data showing that 6.5 percent of the city's total population are identified as Asian Americans. However, the Owner's demographic data for the Development shows that zero (0) Asian American households are represented. The Owner chooses to identify Asian American groups as one of the groups least likely to apply at the Development without special outreach.

(B) Procedures that will be used by the Owner to inform and solicit applications from persons who are least likely to apply. Specific media and community contacts that reach those groups designated as least likely to apply must be identified (community outreach contacts may include neighborhood, minority, or women's organizations, grass roots faith-based or community-based organizations, labor unions, employers, public and private

agencies, disability advocates, or other groups or individuals well known in the community that connect with the identified group(s). *Example 114(2)*: An Owner has identified the disabled as least likely to apply and has decided to send letters on a quarterly basis to the Case Manager at a non-profit organization coordinating housing for developmentally disabled adults. Additionally, the Owner will advertise upcoming vacancies in a monthly newsletter circulated by an organization serving the hearing impaired.

(C) How the Owner will assess the success of Affirmative Marketing efforts. Affirmative Marketing Plans should be reviewed on an annual basis to determine if changes should be made and plans must be updated every five years to fully capture demographic changes in the housing's market area.

(D) Records of marketing efforts must be maintained for review by the Department during onsite monitoring visits. *Example 114(3)*: The Owner keeps copies of all quarterly correspondence mailed to the contacts or community groups identified in the Affirmative Marketing Plan. The letters are dated and addressed and show that the Owner is actively marketing vacancies, or a waiting list to the groups identified in the Owner's plan. Failure to maintain a reasonable Affirmative Marketing Plan and documentation of marketing efforts on an annual basis will result in a finding of noncompliance.

(E) If a Development property does not have any vacant units, Affirmative Marketing is still required and Owners must maintain a waiting list. If a Development property does not have any vacancies and the waiting list is closed, Affirmative Marketing is not required.

(F) In accordance with 24CFR 92.253(d) of the HOME Final Rule, Owners of HOME Developments developments must maintain a written waiting list and tenant selection criteria. Failure to maintain these documents will result in a finding of noncompliance.

### **§60.115. Onsite Monitoring.**

(a) The Department may perform an onsite monitoring review of any low income Development, and review and photocopy all documents and records supporting compliance with Departmental programs through the end of the Compliance Period or the end of the period covered by the LURA, whichever is later. The Development Owner shall permit the Department access to the Development premises and records.

(b) The Department will perform onsite monitoring reviews of each low income Development. The Department will conduct:

(1) the first review of HTC, Exchange and TCAP Developments by the end of the second calendar year following the year the last building in the Development is placed in service.

(2) the first review of all other Developments as leasing commences.

(3) subsequent reviews at least once every three years during the Affordability Period.

(4) a physical inspection of the Development including the exterior of the Development, Development amenities, and an interior inspection of a sample of Units.

(5) limited reviews of physical conditions, including follow-up inspections to verify completion of reported corrective action, may be conducted without prior notice (unless access to tenant units is required, in which case at least forty-eight (48) hours notice will be provided).

(c) The Department will perform onsite file reviews and monitor:

(1) a sampling of the low income resident files in each Development, and review the income certifications,

(2) the documentation the Development Owner has received to support the certifications,

(3) the rent records and any additional information that the Department deems necessary.

(d) At times other than onsite reviews, the Department may request for review, in a format designated by the Department, information on tenant income and rent for each Low Income Unit and may require a Development Owner to submit copies of the tenant files, including

copies of the income certification, the documentation the Development Owner has received to support that certification, and the rent record for any low income tenant.

(e) The Department will select the Low Income Units and tenant records that are to be inspected and reviewed. Original records are required for review. The Department will not give Development Owners advance notice that a particular Unit, tenant record, or a particular year will be inspected or reviewed. However, the Department will give reasonable notice to the Development Owner that an onsite inspection or a tenant record review will occur so the Development Owner may notify tenants of the inspection or assemble original tenant records for review. If a credible complaint of fraud or other egregious noncompliance is received, the Department reserves the right to conduct unannounced onsite monitoring visits.

#### **§60.116. Monitoring for Social Services.**

(a) If a Development's LURA requires the provision of social services, the Department will confirm this requirement is being met. Owners are required to maintain sufficient documentation to evidence that services are actually being provided. Documentation will be reviewed during onsite visits and must be submitted to the Department upon request.

*Example 116(1):* The Owner's LURA requires provision of on-site daycare services. The Owner maintains daily sign in sheets to demonstrate attendance and keeps a roster of the households that are regularly participating in the program. The Owner also keeps copies of all newsletters and fliers mailed out to the Development tenants that reference daycare services.

(b) Supportive services must be fully implemented prior to the issuance of IRS forms 8609 for the ~~HTC Housing Tax Credit~~ program. If an Owner wishes to change the scope of services provided, prior approval from the Department is necessary. The Department, upon review of the Owner's request and the Development's original application, may also require the Owner to submit a proposed amendment to the LURA. It is not necessary to obtain prior written approval to change the provider of services unless the scope of services is being changed. Failure to comply with the requirements of this section shall result in a finding of noncompliance.

#### **§60.117. Monitoring for Non-Profit Participation or HUB Participation.**

(a) If a Development's LURA requires the material participation of a non-profit or Historically Underutilized Business (HUB), the Department will confirm this requirement is being met throughout the development phase and ongoing operations of the Development property. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB is materially participating. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.

(b) If an Owner wishes to change the non-profit, or HUB, prior approval from the Department is necessary. The Annual Owner's Compliance Report also requires Owners to certify to compliance with this requirement. Failure to comply with the requirements of this section shall result in a finding of noncompliance. In addition, the Internal Revenue Service will be notified if the non-profit is not materially participating on a ~~HTC Housing Tax Credit~~ Development property during the Compliance Period.

(c) The Department does not enforce partnership agreements or determine equitable fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction.

#### **§60.118. Property Condition Standards.**

(a) All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the Affordability Period. The Department will use HUD's Uniform Physical Condition Standards (UPCS) to determine compliance with property condition standards. In addition, Developments must comply with all local health, safety, and building codes. The Department may contract with a third party to complete UPCS inspections.

(b) ~~HTC Housing Tax Credit~~ Development Owners are required by Treasury Regulation 1.42-5 to report (through the Annual Owner's Compliance Report) any local health, safety, or building code violations. HTC Developments that fail to comply with local codes shall be reported to the IRS.

(c) The Department will evaluate UPCS reports in the following manner:

(1) A finding of Major Violations will be cited if:

(A) Life threatening health, safety, or fire safety hazards are reported on the Notification of Exigent and Fire Safety Hazards Observed form and are not corrected within twenty-four (24) hours of the inspection with notification of correction submitted to the Department within seventy-two (72) hours of the inspection. Failure to notify the Department of correction within seventy-two (72) hours of the correction of any exigent health and safety or fire safety hazards listed on the Notification will result in a finding of Major Violations of the Uniform Physical Condition Standards for the Development; or

(B) An overall UPCS score of less than 70 percent (69 percent or below) is reported.

(2) A finding of Pattern of Minor Violations will be assessed if an overall score between 70 percent and 89 percent is reported; or

(3) Findings of both Major and Minor Violations will be assessed if deficiencies reported meet the criteria for both.

(d) The Department is required to report any HTC Development that fails to comply with any requirements of the UPCS or local codes at any time (including smoke detectors and blocked egresses) to the IRS on Form 8823. Accordingly, the Department will submit Form(s) 8823 for any UPCS violation. However, if the violation(s) does not meet the conditions described in subsection (c)(1) or (2) of this section, the issue will be noted in the Department's compliance status system as Administrative Reporting and no points will be assigned in the Department's compliance status evaluation of the Development. Non-HTC Developments ~~properties~~ that do not meet thresholds for Major and Pattern of Minor Violations as described in subsection (c)(1) or (2) in this section and correct all life threatening health, safety, and fire safety hazards noted at the time of inspection as directed in subsection (c)(1)(A) of this section will not receive findings for UPCS inspections. Items noted that do not exceed thresholds for Major and Pattern of Minor Violations must be corrected by submission of an Owner's Certification of Repair within the ninety (90) day corrective action period.

(e) Acceptable evidence of correction of deficiencies is a certification from an appropriate licensed professional that the item now complies with the inspection standard or other documentation that will allow the Department to reasonably determine when the repair was made and whether the repair sufficiently corrected the violation(s) of UPCS standards (examples of such documentation include work orders, photographs, and/or invoices to third party repair specialists).

(f) The Department will provide to the Owner in writing a ninety (90) day corrective action period to respond to a notice of noncompliance for violations of the UPCS. The Department will grant up to an additional ninety (90) day extension if there is good cause and the Owner clearly requests an extension during the corrective action period.

(g) 24 CFR §92.251 of the HOME Final Rule requires rental property assisted with HOME funds to be maintained in compliance with all local codes and Housing Quality Standards

(HQS) (24 CFR §982.401). To meet this requirement, all HOME rental Development Owners must annually complete an HQS inspection of all HOME assisted Units. The Department will review HQS inspection sheets for all Units for compliance with this requirement during onsite monitoring visits.

(h) Selection of Units for inspection:

(1) Vacant Units will not be inspected (alternate Units will be selected) if a Unit has been vacant for fewer than thirty (30) days.

(2) Units vacant for more than thirty (30) days are assumed to be ready for occupancy and will be inspected. No deficiencies will be cited for inspectable items if utilities are turned off and the inspectable item is present and appears to be in working order.

(i) Property damage that is the direct result of utility damage or malfunction or repair activity relating to such damage that is beyond the Development property Owner's ~~owner's~~ control, including, but not limited to, eruption of gas, sewer or storm sewer mains, water mains, and electrical fires, will not be taken into consideration in determining a compliance score, provided that the Development property Owner ~~owner~~ did not negligently or intentionally serve as a proximate cause for the damage.

#### **§60.119. Notice to Owners.**

The Department will provide written notice to the Development Owner if the Department does not receive the Annual Owner Compliance Report (AOCR) or discovers through audit, inspection, review or any other manner that the Development is not in compliance with the provisions of the deed restrictions, conditions imposed by the Department, or program rules and regulations, including §42 of the Code. Owners may request that results of monitoring reviews be emailed if all email addresses in the Contract Monitoring Tracking System are up to date. If Owners request such notices be sent by email, a paper copy will not be mailed by the Department. The notice will specify a correction period of ninety (90) days from the date of notice to the Development Owner, during which the Development Owner may respond to the Department's findings, bring the Development into compliance, or supply any missing documentation or certifications. The Department may extend the correction period for up to six (6) months from the date of the notice to the Development Owner if there is good cause for granting an extension and the owner requests an extension during the original ninety (90) day corrective action period. If any communication to the Development Owner under this section is returned to the Department as refused, unclaimed or undeliverable, the Development may be considered not in compliance without further notice to the Development Owner. The Development Owner is responsible for providing the Department with current contact information, including address(es) and phone number(s). The Development Owner must also provide current contact information to the Department as required by §1.22 of this title (relating to Providing Current Contact Information to the Department).

#### **§60.120. Special Rules Regarding Rents and Rent Limit Violations.**

(a) Rent or Utility Allowance Violations of the maximum allowable limit (HTC). Under the HTC program, the amount of rent paid by the household plus an allowance for utilities, plus any mandatory fees, cannot exceed the maximum applicable limit (as determined by the minimum set-aside elected by the Owner) published by the Department. If it is determined that a HTC Development, during the Compliance Period, collected rent in excess of the rent limit established by the minimum set-aside, the Department will report the violation as corrected on the date that the rent plus the utility allowance, plus fees, is less than the applicable limit. The refunding of overcharged rent does not avoid the disallowance of the credit by the IRS.



(b) Rent or Utility Allowance Violations of additional rent restrictions (HTC). If the Owner agreed to lease Units at rents less than the maximum allowed under the Code (additional occupancy restrictions), the Department will require the Owner to refund to the affected residents the amount of rent that was overcharged. This applies during the entire Affordability Period. The noncompliance event will be considered corrected on the date which is the later of the date the overcharged rent was refunded/credited to the resident or the date that the rent plus the utility allowance is equal to or less than the applicable limit. *Example 120(1)*: For Code §42 purposes, the maximum allowable limit is 60 percent. However, the Owner agreed to lease some Units to households at the 30 percent income and rent limits. It was discovered that the 30 percent households were overcharged rent. The Owner will be required to reduce the current amount of rent charged and refund the excess rents to the households.

(c) Rent Violations of the maximum allowable limit due to application fees (HTC). Under the HTC program, Owners may not charge tenants any overhead costs as part of the application fee. Owners must only charge the actual cost for application fees as supported by invoices from the screening company the Owner uses. The amount of time Development staff spends on checking an applicant's income, credit history, and landlord references may be included in the Development's application fee. Development Owners may add \$5.50 per Unit for ~~to~~ their other out of pocket costs for processing an application without providing documentation. Should an Owner desire to include a higher amount to cover staff time, wage information and a time study must be supplied to the Department upon request. Documentation of Development costs for application processing or screening fees must be made available during onsite visits or upon request. The Department will review application fee documentation during onsite monitoring visits. If the Department determines from a review of the documentation that the Owner has overcharged residents an application fee, the noncompliance will be reported to the IRS on Form(s) 8823 under the category Gross rent(s) exceeds tax credit limits. The noncompliance will be corrected on the later of January 1st of the next year or as of the date the application fee is reduced and evidence of a reduced application fee is supplied to the Department. Owners are not required to refund the overcharged fee amount. If the Development refunds the overcharged fee in full or in part, the units will remain out of compliance until January 1st of the next year or until the application fee is reduced.

(d) Rent or Utility Allowance Violations on Non-HTC Developments properties. If it is determined that the Development property collected rent in excess of the allowable limit, the Department will require the Owner to refund to the affected residents the amount of rent that was overcharged.

(e) Trust Account to be established. If the Owner is required to refund rent under subsection (b) or (d) of this section and cannot locate the resident, the excess rent collected must be deposited into a trust account for the tenant. The account must remain open for the shorter of a four (4) year period, or until all funds are claimed. If funds are not claimed after the four year period, the unclaimed funds must be remitted to the Texas Comptroller of Public Accounts Unclaimed Property Holder Reporting Section to be dispersed as required by Texas unclaimed property statutes.

(f) Rent Adjustments for HOME Developments properties. 24 CFR §92.252 of the HOME Final Rule requires Owners to charge households with an income in excess of 80 percent at recertification, a rent equal to the lesser of 30 percent of the household's adjusted income or the market rent for comparable unassisted Units in the neighborhood. If at recertification the household self-certifies an income in excess of the 80 percent limit, documentation of all income, assets and allowable deductions must be obtained by the Owner owner. The Department will find a HOME Development property in noncompliance with this section if the

Owner fails to determine the over income household's adjusted income and maintain documentation of market rents for comparable unassisted Units in the neighborhood.

(g) Special conditions for NSP and CDBG Developments properties. To determine if a Unit is rent restricted, the amount of rent paid by the household, plus an allowance for utilities, plus any rental assistance payment must be less than the applicable limit.

#### **§60.121. Notices to the Internal Revenue Service (HTC Properties).**

(a) Even when an event of noncompliance is corrected, the Department is required to file IRS Form 8823 with the IRS. IRS Form 8823 will be filed not later than forty-five (45) days after the end of the correction period specified in the Notice to Owner (including any extensions permitted by the Department) but will not be filed before the end of the correction period. The Department will indicate on IRS Form 8823 the nature of the noncompliance and will indicate whether the Development Owner has corrected the noncompliance.

(b) The Department will retain records of noncompliance or failure to certify for six (6) years beyond the Department's filing of the respective IRS Form 8823. The Department will retain the AOCs and records for three years from the end of the calendar year the Department receives the certifications and records.

(c) The Department will send the Owner of record copies of any IRS Form(s) 8823 submitted to the IRS. Copies of Form(s) 8823 will be submitted to the syndicator for Developments awarded tax credits after January 1, 2004. The Development Owner is responsible for providing the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

#### **§60.122. Monitoring Procedures for HTC Housing Tax Credit Properties After the Compliance Period.**

(a) HTC properties allocated credit in 1990 and after are required under the Code (§42(h)(6)) to record a LURA restricting the Development property for at least thirty (30) years. Various sections of the Code specify monitoring rules State Housing Finance Agencies must implement during the Compliance Period.

(b) After the Compliance Period, the Department will continue to monitor HTC Housing Tax Credit-Developments using the rules detailed in paragraphs (1) - (12) of this subsection.

(1) On site monitoring visits will continue to be conducted approximately every three years, unless the Department determines that a more frequent schedule is necessary.

(2) In general, the Department will review 10 percent of the low income files. No less than five (5) files and no more than twenty (20) files will be reviewed.

(3) The exterior of the Development property, all building systems and 10 percent of Low Income Units. No less than five (5) but no more than thirty-five (35) of the Development's HTC Low Income Units will be physically inspected to determine compliance with HUD's Uniform Physical Condition Standards.

(4) Each Development shall submit an annual report in the format prescribed by the Department.

(5) Reports to the Department must be submitted electronically as required in §60.105 of this chapter.

(6) Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA.

(7) All HTC households must be income qualified upon initial occupancy of any Low Income Unit. Proper verifications of income are required, and the Department's Income Certification form must be completed unless the Development participates in the Rural Rental Housing Program or a project based HUD program.

(8) Rents will remain restricted for all HTC Low Income Units. After the Compliance Period, utilities paid to the Owner ~~owner~~ can be accounted for in the utility allowance. The tenant paid portion of the rent plus the applicable utility allowance must not exceed the applicable limit.

(9) All additional income and rent restrictions defined in the LURA remain in effect.

(10) For Additional Use Restrictions, defined in the LURA (such as supportive services, nonprofit participation, elderly, etc), refer to the Development's ~~property's~~-LURA to determine if compliance is required after the completion of the Compliance ~~compliance~~ Period ~~period~~.

(11) The Owner shall not terminate the lease or evict low income residents for other than good cause.

(12) The total number of required HTC Low Income Units must be maintained Development wide.

(c) After the first fifteen (15) years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) - (4) of this subsection.

(1) The student restrictions found in §42(i)(3)(D) of the Code. An income qualified household consisting entirely of full time students may occupy a Low Income Unit.

(2) The building's applicable fraction found in the Development's Cost Certification and/or the LURA. Low income occupancy requirements will be monitored Development wide, not building by building.

(3) Household transfers between buildings restricted by §42(g)(1) of the Code. All households, regardless of HTC income level designation, will be allowed to transfer between buildings within ~~with~~ the Development.

(4) The Department will not monitor the Development's application fee after the Compliance Period is over.

(d) Regardless of the requirements stated in a LURA, the Department will monitor in accordance with this section.

(e) Unless specifically noted in this section, all requirements of this chapter, the LURA and §42 of the Code remain in effect for the Extended Use Period. These Post-Year fifteen (15) Monitoring Rules apply only to the HTC Developments administered by the Department.

Participation in other programs administered by the Department may require additional monitoring to ensure compliance with the requirements of those programs.

### **§60.123. Material Noncompliance Methodology.**

(a) The Department maintains a compliance history of each monitored Development in the Department's Compliance Status System. Developments with more than one program administered by the Department are scored by program. The Development will be considered in Material Noncompliance if the score for any single program exceeds the Material Noncompliance threshold for that program.

(b) A Development will not be assigned the scores noted in this section until after the Owner has been provided a written notice of the noncompliance and provided a corrective action deadline to show that either the Development was never in noncompliance or that the noncompliance event has been corrected.

(c) This section identifies all possible noncompliance events for all programs monitored by the Physical Inspection and Compliance Monitoring Sections of the CAO Division. However, not all issues listed in this section pertain to all Developments. In addition, only certain noncompliance events are reportable on Form 8823. Those events that are reportable under the HTC program on Form 8823 are so indicated in subsections (k) and (j) of this section.

(d) For HTC Developments, all Forms 8823 issued by the Department will be entered into the Department's Compliance Status System. However, Forms 8823 issued prior to January 1, 1998 will not be considered in determining Material Noncompliance.

(e) For all programs, a Development will be in Material Noncompliance if the noncompliance event is stated in this section to be Material Noncompliance. The Department may take into consideration the representations of the Owner regarding monitoring notices and Owner responses; however, unless an Owner can prove otherwise, the compliance records of the Department shall be presumed to be correct.

(f) All Developments, regardless of status, that are or have been administered, funded, or monitored by the Department, are scored even if the Development no longer actively participates in the program, with the exception of properties in the Federal Deposit Insurance Corporation's (FDIC) Affordable Housing Disposition Program.

(g) A Development's score will be reduced by the number of points needed to be one point under the Material Noncompliance threshold provided that:

(1) The Development has no previously reported noncompliance events that are uncorrected;

(2) All newly identified noncompliance events are corrected during the corrective action period;

(3) All corrective action documentation for the newly identified noncompliance is provided to the Department during the corrective action period; and

(4) The Development was not already in Material Noncompliance at the time of its most recent monitoring review.

(h) If an Owner ~~owner~~ is unable to correct all issues during the corrective action period, the Owner ~~owner~~ may supply a corrective action plan for review by the Department that establishes dates that each uncorrected issue will be corrected and evidence of correction will be supplied. Provided that the Department approves the plan and the Owner ~~owner~~ follows the plan, upon correction of all issues, a Development's score will be reduced by the number of points needed to be one point under the Material Noncompliance threshold provided that:

(1) The Development has no previously reported noncompliance events that are uncorrected; and

(2) The Development was not already in Material Noncompliance at the time of its most recent review.

(i) Noncompliance events are categorized as either "Development events" or "Unit/building events". Development events of noncompliance affect some or all the buildings in the Development; however, the Development will receive only one score for the noncompliance event rather than a score for each Unit or building. Other noncompliance events are identified individually by Unit and will receive the appropriate score for each Unit cited with an event. The Unit scores and the Development scores accumulate towards the total score of the Development. Violations under the HTC program are identified by Unit; however, the building is scored rather than the Unit and the building will receive the noncompliance score if one or more of the Units in that building are in noncompliance.

(j) Uncorrected noncompliance events, if applicable to the Development, will carry the maximum number of points until the noncompliance event has been reported corrected by the Department. Once reported corrected by the Department, the score will be reduced to the "corrected value". Corrected noncompliance will no longer be included in the Development score one year after the date the noncompliance was reported corrected by the Department.

(k) Each noncompliance event is assigned a point value. The possible events of noncompliance and associated "corrected" and "uncorrected" points are listed in subsection (l) of this section.

(l) Figure: 10 TAC §60.123(l) lists events of noncompliance that affect the entire Development rather than an individual Unit. The first column of the chart identifies the

noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. The Material Noncompliance threshold for a HTC and Exchange Developments is thirty (30) points. The Material Noncompliance threshold for a non-HTC Development property with one (1) to fifty (50) Low Income Units is thirty (30) points. The Material Noncompliance threshold for a non-HTC Development property with Fifty-one (51) to two hundred (200) Low Income Units is fifty (50) points. The Material Noncompliance threshold for non-HTC Developments properties with two hundred and one (201) or more Low Income Units is eighty (80) points. The third column lists the number of points assigned to the event from the date the issue is corrected until one (1) year after correction. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on Form 8823 for HTC Developments.

Figure: 10 TAC §60.123(l) (doc)

Noncompliance Event	Uncorrected Points	Corrected Points	Programs	If HTC, on Form 8823?
Major property condition violations	Material Noncompliance	10	All programs	Yes
Pattern of minor property condition violations	10	5	All programs	Yes
Noncompliance Event	Uncorrected Points	Corrected Points	Programs	If HTC, on Form 8823?
Administrative reporting of property condition violations	0	0	HTC	Yes
Owner refused to lease to a holder of rental assistance certificate/voucher because of the status of the prospective tenant as such a holder	Material Noncompliance	10	See §60.112	Yes
Owner failed to approve and distribute an Affirmative Marketing Plan as required under §60.114 of this chapter	10	3	See §60.112	No
Development failed to comply with requirements limiting minimum income standards for Section 8 residents.	10	3	See §60.112	No
Development is not available to general public	10	0	HTC	Yes
HUD or DOJ notification of possible Fair Housing Act violation	0	0	HTC	Yes
Determination of a violation under the Fair Housing Act	Material Noncompliance	10	All programs	Yes
Development is out of compliance and never expected to comply/ Foreclosure	Material Noncompliance	NA/No correction possible	All programs	Yes

Owner did not allow on-site monitoring review	Material Noncompliance	5	All programs	Yes
LURA not in effect	Material Noncompliance	5	All programs	Yes
Development failed to meet minimum set aside	20	10	HTC Bonds	Yes
No evidence of, or failure to certify to, material participation of a non-profit or HUB, if required by the Land Use Restriction Agreement	10	3	HTC	Yes
Development failed to meet additional State required rent and occupancy restrictions	10	3	All programs	No
The Development failed to provide required supportive services as promised at Application	10	3	HTC Bonds	No

Noncompliance Event	Uncorrected Points	Corrected Points	Programs	If HTC, on Form 8823?
The Development failed to provide housing to the elderly as promised at Application	10	3	All programs	No
Failure to provide special needs housing	10	3	All programs	No
Changes in Eligible Basis or Applicable Percentage	3	NA, No correction possible	HTC	Yes
Failure to submit part or all of the AOCR or failure to submit any other annual, monthly, or quarterly report required by the Department	10	3	All programs	Yes
Utility Allowance not calculated properly	20	10	All programs	Yes
Owner failed to execute required lease provisions, including language required by §60.110 or exclude prohibited lease language	10	3	HTC HOME	No
Failure to provide annual Housing Quality Standards inspection	10	3	HOME	NA
Development has failed to establish and maintain a reserve account in accordance with §1.37 of this title	Material Noncompliance	10	All programs	No

Development substantially changed the scope of services as presented at initial Application without prior Department approval	10	3	HTC	No
Change in Ownership or General Partner without proper notification to and approval of Department	10	3	All programs	No
Failure to provide a notary public as promised at Application	10	3	HTC	No
Violations of the Unit Vacancy Rule	3	1	HTC	Yes
Casualty loss	0	0	All programs	Yes
Failure to provide pre-onsite documentation as required.	<u>10</u>	<u>3</u>	<u>All programs</u>	<u>No</u>

(m) Figure: 10 TAC §60.123(m) lists ten (10) events of noncompliance associated with individual Units. The first column of the chart identifies the noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. The Material Noncompliance threshold for a HTC or Exchange Development property is thirty (30) points. The Material Noncompliance threshold for a non-HTC property with one (1) to fifty (50) Low Income Units is thirty (30) points. The Material Noncompliance threshold for a non-HTC Development property with fifty-one (51) to two hundred (200) Low Income Units is fifty (50) points. The Material Noncompliance threshold for non-HTC properties with two hundred one (201) or more Low Income Units is eighty (80) points. The third column lists the number of points assigned to the event from the date the issue is corrected until one year after the event is corrected. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on Form 8823 for HTC Developments.

Figure: 10 TAC §60.123(m).(doc)

<b>Noncompliance Event</b>	<b>Uncorrected Points</b>	<b>Corrected Points</b>	<b>Programs</b>	<b>If HTC, on Form 8823?</b>
Unit not leased to Low Income Household	5	1	All programs	Yes
Low Income Units occupied by nonqualified full-time students	3	1	HTC during the compliance period and Bond	Yes
Low Income Units used on transient basis	3	1	HTC Bond	Yes

Household income increased above the re-certification limit and an available Unit was rented to a market tenant	3	1	HTC During the compliance period Bonds HOME HTF	Yes
Gross rent exceeds the highest rent allowed under the LURA or other deed restriction	5	1	All programs	Yes
Failure to maintain or provide tenant income certification and documentation	3	1	All programs	Yes
Unit not available for rent	3	1	All programs	Yes
Failure to maintain or provide Annual Eligibility Certification	3	1	All programs	No
Development evicted or terminated the tenancy of a low income tenant for other than good cause	10	3	HTC HOME	Yes
Household income increased above 80% at recertification and Owner failed to properly determine rent	3	1	HOME	NA

**§60.124. Previous Participation Reviews.**

(a) Prior to providing any Department assistance, executing a Carryover Allocation Agreement, or processing a request for a Qualified Contract, the CAO Division will conduct a previous participation review to determine if the requesting entity controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form, or has any unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division. Previous participation reviews will also be conducted if more than one hundred twenty (120) days elapse between Board approval of an Application and a financing. Assistance includes but is not limited to allocating any Department funds or tax credits, with the exception of CSBG funds, engaging in loan or contract modifications that result in increased funding, approving a modification to a LURA (other than a technical error) and providing incentive awards.

(b) HTC Developments with any uncorrected issues of noncompliance or with pending notices of noncompliance, will not be issued Form 8609s, Low Income Housing Credit Allocation Certifications, until all events of noncompliance are corrected.

(c) If during the previous participation review an uncorrected issue of noncompliance required by the HOME Final Rule is identified on a HOME Development monitored by the Department, the entity requesting assistance will be notified of the issue and provided five (5) business days to submit all necessary corrective action to cure the violation(s). The notification will be in writing and may be delivered by email. If the requesting entity does not cure the violation(s), the request for assistance will be terminated. If the request for assistance is



terminated, the Board has the ability to reinstate the request for assistance for consideration as provided in §60.128(a) of this chapter.

(d) If during the previous participation review, the Department determines that the requesting entity owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form, has unresolved audit or monitoring findings identified by the Contract Monitoring section of the CAO Division, or has control of an existing Development monitored by the Department that is in Material Noncompliance, the entity requesting assistance will be notified of the issue in writing and provided five (5) business days to submit all necessary corrective action, pay the fees, bring the loan current, or otherwise cure the violation(s). If the requesting entity does not cure the issue(s), the request for assistance will be terminated. If the request for assistance is terminated due to Material Noncompliance, the Board has the ability to reinstate the request for assistance for consideration as provided in §60.128(b) of this chapter.

(e) If during the previous participation review, the Department determines that the requesting entity or any person controlling the requesting entity is on the Department's or the Department of Housing Urban Development's debarred list, the request for assistance will be terminated. A request for assistance properly terminated for this reason cannot be reinstated for consideration. The request for assistance can be re-submitted, however, if the person or entity that is on the debarred list is no longer part of the requesting entity.

(f) For the purposes of previous participation reviews:

(1) The Department will not take into consideration the score of a Development that the requesting entity has not controlled for at least three (3) years;

(2) The Department will not take into consideration the score of a Development for which the Affordability Period ended over three (3) years ago;

(3) The Department will not take into consideration the score attributed to a Development for noncompliance with FDIC's Affordable Housing Disposition Program;

(4) If a requesting entity no longer controls a Development but has controlled the Development at any time in the last three (3) years, the Department will determine the score for the noncompliance events with a date of noncompliance identified during the time the requesting entity controlled the Development. If the points associated with the noncompliance events identified during the requesting entity's control of the Development exceed the threshold for Material Noncompliance, the request for assistance will be terminated but may be subject to reinstatement by the Board as provided in §60.128 of this chapter.

(g) Date for determining Material Noncompliance. Previous participation reviews will be conducted prior to the Board meeting when funds will be awarded, or if the request is not subject to Board action, prior to the Department providing the requested assistance. The score in effect at the completion of the previous participation review process (which includes the five (5) business day cure period referenced in subparagraphs (c) and (d) of this section) will be used to determine if the request for assistance will be terminated. Previous participation reviews are not required to be performed if less than one hundred-twenty (120) days have elapsed since the last review, provided there is no change in the organizational structure.

(h) Treatment of units of government during a previous participation review. If a city, county or local government applies for assistance from the Department, a previous participation review will be conducted. If the city, county or unit of government controls a Development development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection (d) of this section will be

followed. However, the previous participation of individual elected officials will not be considered provided that they are not the contract executor for the requesting entity.

(i) Treatment of nonprofits during a previous participation review. If a nonprofit applies, or is associated with, an application for assistance from the Department, a previous participation review will be conducted. If the nonprofit controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection (d) of this section will be followed. If it is determined that the Executive Director, Chair of the Audit Committee, Board Chair or any member of the Executive Committee of the nonprofit controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection (d) of this section will be followed. If within the five (5) business day period, the party with noncompliance resigns from the applicable position of the nonprofit organization requesting assistance, the noncompliance will not be taken into consideration. If it is determined that any member of the Board of the Nonprofit is on the Department's or the Department of Housing Urban Development's debarred list, the request for assistance will be terminated. A request for assistance properly terminated for this reason cannot be reinstated for consideration. The request for assistance can be re-submitted, however, if the person on the debarred list resigns from the applicable nonprofit organization requesting assistance.

(j) Previous participation review for ownership transfers. Consistent with this section, the Department will perform a previous participation review prior to approving any transfer of ownership of a Development or any change in the Owner of a Development. The previous participation review shall be conducted with respect to the Developments controlled by the person coming into ownership, not with respect to the Development or Owner being transferred.

#### **§60.125. Alternative Dispute Resolution (ADR).**

(a) It is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution (ADR) procedures to assist in resolving disputes under the Department's jurisdiction. If at any time an applicant or other person would like to engage the Department in an ADR process, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at §1.17 of this title.

(b) In all phases of monitoring, (construction and throughout the entire Affordability Period) if a potential issue of noncompliance has been identified, Owners will be provided a written notice of noncompliance. In general, the Department will provide up to a ninety (90) day corrective action period which can and will be extended for an additional ninety (90) days if there is good cause and the Owner requests an extension during the corrective action period.

(c) Owners must respond to the Department's notice of noncompliance. If an Owner does not respond, this ADR process which is explained in this section cannot be initiated.

(d) If an Owner does not agree with the Department's assessment of compliance, they should clearly explain their position and provide as much supporting documentation as possible. If the position is reasonable and well supported, the issue of noncompliance will be cleared with no further action taken, i.e. for HTC properties, Form(s) 8823 will not be filed with the IRS and the issue will not be scored in the Department's compliance status system.

(e) If an Owner's response indicates disagreement with the Department's assessment of noncompliance, but does not appear to be a valid concern to the Department, staff will notify the Owner in writing of their right to engage in ADR. The Owner must respond in five (5) days and request ADR. In addition, the Owner ~~owner~~ must request an extension of the corrective action deadline, if one is still available. If the Owner ~~owner~~ does not respond to the staff's invitation to engage in ADR, the Department's assessment of the violation is final.

(f) The Department must meet the Treasury Regulation requirement found in §1.42-5 and file Form 8823 within forty-five (45) days after the end of the corrective action period. Therefore, it is possible that the Owner and Department may still be engaged in ADR. In this circumstance, the Form 8823 will be filed. However, it will be sent to the IRS with an explanation that the Owner ~~owner~~ disagrees with the Department's assessment and is pursuing ADR. All Owner supplied documentation supporting their position will be supplied to the IRS. Although the violation will be reported to the IRS within the required timeframes, it will not be scored in the Department's compliance status system pending outcome of ADR.

(g) ADR is not an appropriate format for matters regarding interpretations of laws, regulations and rules. ADR can only be used when parties could reach consensus.

#### **§60.126. Liability.**

Compliance with the program requirements, including compliance with §42 of the IRC, is the sole responsibility of the Development Owner. By monitoring for compliance, the Department in no way assumes any liability whatsoever for any action or failure to act by the Development Owner, including the Development Owner's noncompliance with §42 of the IRC, the Fair Housing Act, §504 of the Rehabilitation Act of 1973, HOME program regulations, BOND program requirements, and all other programs monitored by the Department.

#### **§60.127. Applicability.**

Unless otherwise noted, these provisions apply to all Developments administered by the Department.

#### **§60.128. Temporary Suspension of Previous Participation Reviews.**

(a) An entity whose request for assistance is terminated under §60.124 of this chapter may request reinstatement of the Application for consideration for approval. The request must be in writing and must be submitted to the Department within five (5) business days of the date of the Department's letter notifying the requesting entity of the termination/denial. A timely filed request for reinstatement shall be placed on the agenda for the next Board meeting for which it can be properly posted.

(b) If an Application for assistance was terminated under §60.124 of this chapter, the Board may consider reinstatement of the application only in the event that it determines, after consideration of the relevant, material facts and circumstances that:

- (1) it is in the best interests of the Department and the State to proceed with the award;
- (2) the award will not present undue increased program or financial risk to the Department or State;
- (3) the applicant is not acting in bad faith; and
- (4) the applicant has taken reasonable measures within its power to remedy the cause for the termination.

(c) Reinstatement of a terminated Application merely makes the Application eligible to be considered and does not, in and of itself, constitute approval.

**§60.129. Temporary Suspension of other Sections of this Subchapter.**

(a) Temporary suspensions of other sections of this subchapter may be granted if the Board finds one or more of the following factors applicable to a Development:

(1) A natural disaster or other act of God has made the application of this subchapter to a Development infeasible for a period of time and the Governor of Texas or President of the United States has previously made a disaster declaration for the area including the Development during the relevant time period;

(2) Due to documented shortages in items necessary to complete the requirements of the subchapter, the Owner was unable to meet the subchapter requirements, this would include but not be limited to a shortage of labor, building materials, or public utilities available;

(3) A federal rule has changed that significantly changed the ability of the Owner to deliver the services required at the time the Development was placed in service or began operation provided, however, that the Board cannot waive the rule itself and the Owner must comply, but the Board may suspend the compliance score related to the violation in this situation; and/or

(4) A Development has been subjected in part to a governmental action such as partial condemnation through no fault of the Owner, eminent domain, or zoning changes that do not allow corrections of compliance issues required by the Department.

(b) Under no circumstances can the Board suspend for any period of time compliance with the HOME Final Rule or regulations issued by HUD when required by federal law.

(c) Under no circumstances can the Board suspend for any period of time Treasury Regulations, IRS publications controlling the submission of Form 8823, or any sections of 26 U.S.C. §42.

(d) Examples of items the Board could temporarily suspend include: the requirement to report online, requirement to use Department approved forms, sampling size requirements for agency calculated utility allowance, or the requirement to repay overcharged rent on a HTF property.

## Wendy Quackenbush

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**From:** TDHCA Rule Comments  
**Sent:** Tuesday, December 28, 2010 7:51 AM  
**To:** Patricia Murphy; Wendy Quackenbush  
**Cc:** Vicki Gossett  
**Subject:** FW: Compliance Rules Comments

FYI

Michele Atkins  
Executive Assistant to the Chief of Staff and General Counsel

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**From:** Brant Ince [mailto:branti@aecc-inc.com]  
**Sent:** Monday, December 27, 2010 4:01 PM  
**To:** tdhcarulecomments@tdhca.state.tx.us  
**Subject:** Compliance Rules Comments

We offer the following comments to the proposed Compliance Administration Rules, Chapter 60:

### **60.102.(11) Substantial Construction**

**(A) (iii) Completion of the foundation of the Clubhouse (if applicable)** - In our experience, completion of any foundation work would occur well after 10% of construction funds are expended. Based on the typical construction process, we would recommend that this be stated to require at least 50% completion of all on-site "wet" utilities (water, sanitary sewer, and storm sewer plus natural gas if applicable) plus building slab /foundation formwork started.

**(A) (vi) All necessary utilities available at the property** - Including this requirement for Substantial Construction subjects the project to the schedule and timing of the municipality and/or utility provider's installation schedule. Utility availability should be addressed and established in the partnership agreement phase.

**(B) (ii) Certification that are no reasonably foreseeable issues or circumstances which prevent or delay the start and progress of construction or the timely successful completion of rehabilitation** - It seems that this is requiring a certification that there are no known unforeseeable circumstances. We recommend that the certification be worded to certify that all project documents, materials and work items necessary to start and complete the project in the allotted time period (or in a timely manner) have been adequately addressed as of the date of the certification.

**(B) (iii) at least 20 percent of the construction budget expended as documented by the inspecting architect** - It should be noted that not all rehabilitation project budgets are the same - i.e., one project may have substantial structural repairs/improvements equaling 20% or more of the budget that would be accomplished in the early stages of the project, while another project may have its substantial costs in the later stages (appliances, fixtures, etc.) resulting in a larger portion of actual work being completed prior to reaching 20%. You may wish to consider requiring documentation of work underway in 10-20% of the affected units or buildings.

### **60.103. Construction Monitoring**

**(f) Owners are required to submit evidence of construction completion within thirty days of completion in a format prescribed by the Department. In addition, the Architect of Record must submit a certification that the Development was built in compliance with all applicable laws - We recommend that this requirement also include certification from the Engineer of Record (if applicable) and that the certification be worded to state "...built in compliance with all applicable laws and design requirements."**

We are available at your convenience to discuss any or all of the above.

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## Wendy Quackenbush

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**From:** TDHCA Rule Comments  
**Sent:** Tuesday, December 28, 2010 7:50 AM  
**To:** Patricia Murphy; Wendy Quackenbush  
**Cc:** Vicki Gossett  
**Subject:** FW: Proposed Compliance Rules  
**Attachments:** Proposed Compliance Rules.pdf

FYI

Michele Atkins  
Executive Assistant to the Chief of Staff and General Counsel

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**From:** Morrow, Richard D. [mailto:rmorrow@lockelord.com]  
**Sent:** Monday, December 27, 2010 4:12 PM  
**To:** tdhcarulecomments@tdhca.state.tx.us  
**Subject:** Proposed Compliance Rules

Attached are some comments to the Proposed Compliance Rules. Many are just corrections, other are more substantive and/or questions. I approached this as if I knew very little about the Rules.

Also, there are some terms that are not always used uniformly -- sometimes capitalized and sometimes not. I didn't mark them everywhere they occurred. Namely:

- "Unit" is sometimes "unit"
- "Development" and "Developments" is sometimes "property" or "properties"
- "Owner" and "Owners" is sometimes "owner" or "owners"

Best regards -- Rick

---

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"Owner" and "Unit" are not always capitalized.

§60.101.Purpose and Overview.

(a) This chapter satisfies the requirement of §42(m)(1)(B)(iii) Internal Revenue Code (Code) to provide a procedure that will be followed for monitoring for noncompliance with the provisions of the Code and to notify the IRS of such noncompliance. This chapter is consistent with requirements established under applicable state and federal laws, rules, and regulations, and the Department will monitor in accordance with this chapter. Nothing in this chapter serves to waive, alter, or amend the requirements of any duly recorded Land Use Restriction Agreement (LURA). A party to a LURA wishing to have the LURA amended must submit a formal request to the Department, and the Department will review any such request to determine if it is acceptable and, if acceptable, specify any appropriate requirements for or conditions or limitations on any such amendment. The Department monitors rental Developments receiving assistance under:

- (1) the Housing Tax Credit program (HTC);
- (2) the HOME Investment Partnerships program (HOME);
- (3) the Tax Exempt Bond program (BOND);
- (4) the Housing Trust Fund program (HTF);
- (5) the Community Development Block Grant Disaster Recovery program (CDBG);
- (6) the Tax Credit Assistance Program (TCAP);
- (7) the Tax Credit Exchange Program (Exchange); and
- (8) the Neighborhood Stabilization Program (NSP).

"Development" is used in some cases, and other times the words "property" or "properties" are used. Are these the same?

Developments

(b) All properties monitored by the Department are subject to the Department's enforcement rules, found in Subchapter C of this chapter (relating to Administrative Penalties).

(c) Compliance monitoring begins with the commencement of construction and continues to the end of the long term Affordability Period. The Compliance and Asset Oversight Division (CAO) monitors to ensure Owners comply with the program rules and regulations, Chapter 2306, Texas Government Code, the LURA requirements and conditions, and representations imposed by the Application or award of funds by the Department. This chapter does not address forms and other records that may be required of Development Owners by the IRS or other governmental entities, whether for purposes of filing annual returns or supporting Development Owner tax positions during an IRS or other governmental audit.

§60.102.Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise. Other capitalized terms not defined herein are defined in §1.1 of this title (relating to Definitions for Housing Program Activities).

(1) Affordability Period--The Affordability Period commences as specified in the Land Use Restriction Agreement (LURA) or federal regulation, or commences on the first day of the Compliance Period as defined by §42(i)(1) in the United States Internal Revenue Code of 1986 and continues through the appropriate program's affordability requirements or termination of the LURA, whichever is earlier. The



Developments

term of the Affordability Period shall be imposed by the LURA or other deed restriction and may be terminated upon foreclosure. The Department reserves the right to extend the Affordability Period for HOME properties that fail to meet program requirements. During the Affordability Period the Department shall monitor to ensure compliance with programmatic rules, regulations, and Application representations.

(2) Architect of Record--The architect licensed in the jurisdiction that the project is located in, who prepares, stamps and signs the construction documents, and is legally recorded as the architect for the project.

(3) Continuously Occupied--The same household has resided in the Unit for at least twelve (12) months.

(4) Extended Use Period--With respect to a HTC building, the period beginning on the first day of the Compliance Period and ending the later of:

(A) the date specified in the Land Use Restriction Agreement; or

(B) the date which is fifteen (15) years after the close of the Compliance Period.

(5) Housing Quality Standards--The property condition standards described in 24 CFR §982.401 in the Code of Federal Regulations.

(6) HTC Development--Sometimes referred to as "HTC Property." A Development using Housing Tax Credits allocated by the Department.

(7) HUD regulated Building--The rents and utility allowances of the building are reviewed by HUD on an annual basis.

(8) Material Noncompliance.

(A) A HTC or Exchange Development located within the state of Texas will be classified by the Department as being in Material Noncompliance status if the noncompliance score for such Development is equal to or exceeds a threshold of 30 points in accordance with the Material Noncompliance provisions, methodology, and point system in §60.123(l) and (m) of this chapter (relating to Material Noncompliance Methodology).

(B) Non-HTC Developments monitored by the Department with 1 - 50 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 30 points. Non-HTC Developments monitored by the Department with 51 - 200 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 50 points. Non-HTC Developments monitored by the Department with 201 or more Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 80 points.

(C) For all programs, a Development will be in Material Noncompliance if the noncompliance is stated in §60.123 of this chapter to be Material Noncompliance.

(9) Non-HTC Development--Sometimes referred to as Non-HTC Property. Any Development not utilizing Housing Tax Credits or Exchange funds.

(10) Owner--An individual, joint venture, partnership, limited partnership, trust, firm, corporation, limited liability company, other form of business organization or cooperative that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing Development, subject to the regulatory powers of the Department and other terms and conditions.

(11) Substantial Construction-- *Commencement of*

(A) The minimum activity necessary to meet the requirements of substantial construction for new construction Developments will be defined as: *Commencement of*

(i) delivery of an executed partnership agreement with the investor or other documents setting for the legal structure and ownership;

*deed of trust? note?*

(ii) delivery of the executed [construction loan] and construction loan agreement;

(iii) completion of the foundation of the clubhouse (if applicable);

(iv) having all infrastructure permits;

(v) all grading completed (not including landscaping);

(vi) all necessary utilities available at the property;

(vii) all Right of Way access; and

*have to be is this the Architect of Record?*

(viii) Ten percent of the construction contract amount for the Development expended, adjusted for any change orders and certified by the [inspecting architect]

(B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be defined as having:

(i) building permits issued or a clearance from the City stating that building permits are not required;

(ii) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; and

(iii) at least 20 percent of the construction budget expended as documented by the [inspecting architect]

(12) Unit Type--Units will be considered different Unit Types if there is any variation in the number of bedroom, bathrooms or a square footage difference equal to or more than one-hundred twenty (120) square feet. Example 102(1): A two (2) bedroom/one (1) bath Unit is considered a different Unit Type than a two (2) bedroom/two (2) bath Unit. A three (3) bedroom/two (2) bath Unit with 1,000 square feet is considered a different Unit Type than a three (3) bedroom/two (2) bath Unit with 1,200 square feet. A one (1) bedroom/one (1) bath Unit with 700 square feet will be considered equivalent to a one (1) bedroom/one (1) bath Unit with 800 square feet.

(13) UPCS--Uniform Physical Condition Standards as developed by the Real Estate Assessment Center of the U.S. Department of Housing and Urban Development.

§60.103. Construction Monitoring.

IS THIS DEFINED?

(a) The Department will monitor the entire construction phase for all applicable requirements according to the level of risk. After ~~Final Construction~~ during the Affordability Period, the Department will periodically monitor the Development to assure that the initial compliance review was correct.

(b) The Department will not provide any funding to any Development unless the Owner certifies that the housing Development is, or will be upon completion of construction, in compliance with the following housing laws:

(1) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601, et seq.), and the Fair Housing Amendments of 1988 (42 U.S.C. §§3601, et seq.);

(2) the Civil Rights Act of 1964 (42 U.S.C. §§2000a, et seq.);

(3) the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101, et seq.); and

(4) Section 504, Rehabilitation Act of 1973 (29 U.S.C. §§701, et seq.). (2306.257)

(c) Evidence of Commencement of Substantial Construction must be submitted no later than the deadline established in the Development's Commitment Notice. Four percent BOND properties are not required to submit evidence of Substantial Construction.

(d) Copies of any construction reports supplied to a syndicator must be supplied to the Department upon request.

(e) Copies of any reports issued during construction that indicate changes that affect the representations made during the Application process must be supplied to the Department upon request.

(f) Owners are required to submit evidence of construction completion within thirty (30) days of completion in a format prescribed by the Department. In addition, the Architect of Record must submit a certification that the Development was built in compliance with all applicable laws.

(g) The Department will conduct a final inspection after receipt of notification of construction completion. During the inspection, the Department will confirm that committed amenities have been provided and will inspect for compliance with the applicable laws referenced in subsection (b) of this section. In addition, a UPCS inspection may be completed.

(h) Owners will be provided a written notice after the final inspection. If any deficiencies are noted, a ninety (90) day corrective action period will be provided.

(i) Forms 8609 and final retainage will not be released until the Owner receives written notice from the Department that all noted deficiencies have been resolved.

(j) During any construction inspection, if the Owner and the Department are unable to agree that an identified issue is a violation, the Owner must request Alternative Dispute Resolution. The process for engaging ADR is outlined in §60.125 of this chapter (relating to Alternative Dispute Resolution).

#### §60.104. Recording of Land Use Restriction Agreements (HTC Properties).

(a) In general, no credit is allowable for a building unless there is a properly executed LURA in effect at

the end of the first year of the Credit Period. A draft of the proposed LURA must be provided no later than September 1st of the calendar year in which the Owner intends to have it recorded. The Department cannot guarantee that a draft LURA received after September 1st will be processed in the same calendar year.

(b) LURAs will impose the rent and income restrictions identified in the Development's final underwriting report.

(c) The Department will not issue Forms 8609 until it receives the original, properly recorded LURA or has alternative arrangements, acceptable to the Department and its counsel in place.

#### §60.105. Reporting Requirements.

(a) The Department requires reports to be submitted electronically through the Department's web-based Compliance Monitoring and Tracking System (CMTS) and in the format prescribed by the Department. The Electronic Compliance Reporting Filing Agreement and the Owner's Designation of Administrator of Accounts forms must be filed no later than September 1st of the year following the award. The Department will provide general instruction regarding the electronic transfer of data. Under special circumstances, the Department may, at its discretion, waive the online reporting requirements where a hardship can be demonstrated. In the absence of a written waiver, all Developments are required to submit reports online.

(b) Each Development is required to submit an Annual Owner's Compliance Report (AOCR). Depending on the property, some or all of the Report must be submitted. The first AOCR is due the second year following the award. For example: If a Development is awarded funds in calendar year 2007, the first report is due in 2009. The AOCR is comprised of four (4) sections:

(1) Part A "Owner's Certification of Program Compliance." All Development Owners must annually certify to compliance with applicable program requirements. The AOCR Part A shall include answers to all questions required by Treasury Regulation 1.42-5(b)(1) or the applicable program rules. In addition, Owners are required to report on the race and ethnicity, family composition, age, income, use of rental assistance, disability status, and monthly rental payments of individuals and families applying for and receiving assistance. HTC Developments during the Compliance Period will also be required to provide the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

(2) Part B "Unit Status Report." All Developments must annually report the information related to individual household income, rent, certification dates and other necessary data to ensure compliance with applicable program regulations.

(3) Part C "Housing for Persons with Disabilities." The Department must establish a system that requires Owners of state or federally assisted housing Developments with 20 or more housing Units to report information regarding housing Units designed for persons with disabilities. The questions on Part C satisfy this requirement.

(4) Part D "Owner's Financial Certification." Developments funded by the Department must annually provide the data requested in the Owner's Financial Certification.

(c) Parts A, B and C of the Annual Owner's Compliance Report must be provided to the Department no later than March 1st of each year, reporting data current as of December 31st of the previous year (the reporting year). Part D, "Owner's Financial Certification," which includes the current audited financial

subject to the  
terms of §§(e) and (f) below,

statements and income and expenses of the Development for the prior year, must be submitted to the Department no later than the last day of April each year.

(d) Any Development for which the AOCR, Part A, "Owner's Certification of Program Compliance," is not received or is received past the due date will be considered not in compliance with this section. If Part A is incomplete, improperly completed, or is not submitted by the Development Owner, it will be considered not received and not in compliance with this section. The Department will report to the IRS on Form(s) 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, any HTC Development that fails to comply with this requirement.

(e) Department staff will review Part A of the AOCR for compliance with the requirements of the appropriate program. If it appears that the Development is not in compliance based upon the report, the Owner will be given written notice and provided a corrective action period to clarify or correct the report. If the Owner does not respond to the notice, the report will be subject to the sanctions listed in subsections (f) and (g) of this section.

(f) If any required section, or sections (Parts A, B, C or D), of the report are not received on or before the deadline for submission specified in subsection (e) of this section, a notice of noncompliance will be sent to the Owner, specifying a corrective action deadline. If the report is not received on or before the corrective action deadline, the Department shall:

(1) For all HTC properties, issue Form(s) 8823 notifying the IRS of the violation; and

(2) For all properties, score the noncompliance in accordance with §60.123 of this chapter (relating to Material Noncompliance Methodology).

(g) The Department may assess and enforce the following sanctions against an Owner who fails to submit the AOCR on or before March 1st of each year and has multiple, consistent, and/or repeated violations of failure to submit the AOCR by March 1st of each year:

(1) a late processing fee in the amount of \$1,000; and/or

(2) a HTC Development that fails to submit the required AOCR for three (3) consecutive years may be reported to the IRS as no longer in compliance and never expected to comply.

(h) Periodic Unit Status Reports. All Developments must submit a Quarterly Unit Status report to the Department through the Compliance Monitoring and Tracking System (CMTS). Quarterly reports are due in January, April, July, and October on the 10th day of the month. The report must show occupancy as of the last day of the previous month for the reporting period. For example, the report due October 10th should report occupancy as of September 30th. The first quarterly report is due January 10, 2011.

(i) Owners are encouraged to continuously maintain current resident data in the Department's CMTS. Under certain circumstances, such as in the event of a natural disaster, the Department may require all Developments to provide current occupancy data through CMTS.

(j) All rental Developments funded or administered by the Department will be required to submit a current Unit Status Report prior to an onsite monitoring visit.

(k) Exchange developments must submit form 8609 with lines 7, 8(b), 9(b), 10(a), 10(c) and 10(d) completed thirty (30) days after the Department issues the executed form(s).

§60.106. Record Keeping Requirements.

(a) Development Owners must comply with program recordkeeping requirements. Records must include sufficient information to comply with the reporting requirements of §60.105 of this chapter (relating to Reporting Requirements) and any additional programmatic requirements. HTC Development Owners must retain records sufficient to comply with the reporting requirements of Treasury Regulation 1.42-5(b)(1). Records must be kept for each qualified Low Income Unit and building in the Development, commencing with lease up activities and continuing on a monthly basis until the end of the Affordability Period.

(b) Each Development that is administered by the Department must retain records as required by the specific funding program rules and regulations. In general, retention schedules include but are not limited to the provision of subsections (c) - (f) of this section.

(c) HTC records must be retained for at least six years after the due date (with extensions) for filing the federal income tax return for that year; however, the records for the first year of the Credit Period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building (§1.42-5(b)(2) of the Code).

(d) Retention of records for HOME rental Developments and the CDBG Disaster Recovery program must comply with the provisions of 24 CFR §92.508(c), which generally requires retention of rental housing records for five years after the Affordability Period terminates.

(e) Housing Trust Fund (HTF) rental Developments must retain tenant files for at least three years beyond the date the tenant moves from the Development. Records pertinent to the funding of the award, including but not limited to the Application <sup>and</sup> Development costs and documentation, must be retained for at least five years after the Affordability Period terminates.

(f) Other rental Developments funded or administered in whole or in part by the Department must comply with record retention requirements as required by rule or deed restriction.

§60.107. Notices to the Department.

(a) If any of the events in paragraphs (1) - (3) of this subsection occur, written notice must be provided to the Department within the timeframes as follows:

(1) Any sale, transfer <sup>or</sup> exchange <sup>of</sup> of the Development or any portion of the Development. Notification must be provided at least thirty (30) days prior to this event. — any threshold?

(2) The Development suffers in whole or in part a casualty loss. Notification must be provided within thirty (30) days following the event of loss using the Department's Notice of Casualty Loss (for general casualty losses) or Notice of Disaster Casualty Loss (specific to loss as a result of a Presidentially Declared Disaster).

(3) Owners of Bond Developments shall notify the Department of the date 10 percent of the Units are occupied and the date 50 percent of the Units are occupied within ninety (90) days of such dates.

(b) Owners are responsible for maintaining current information (including contact persons, physical addresses, mailing addresses, email addresses, and phone numbers) for the Ownership entity and management company in the Department's Compliance Monitoring and Tracking System (CMTS).

Treasury Regulations require the Department to notify Housing Tax Credit Owners of upcoming reviews and instances of noncompliance. The Department will rely on the information supplied by the Owner in CMTS to meet this requirement.

§60.108. Determination, Documentation and Certification of Annual Income.

(a) For all rental programs administered by the Department, annual income shall be determined consistent with the Section 8 Program, using the definitions of annual income described in HUD Handbook 4350.3 as amended from time to time. At the time of program designation as a low income household, owners must certify and document household income. In general, all low income households must be certified prior to move in.

Low Income Families?

(b) The Department permits Owners to use check stubs or other firsthand documentation of income and assets provided by the applicant or household in lieu of third party verification forms. It is not necessary to first attempt to obtain a third party verification form as required by the HUD Handbook 4350.3.

(c) The Department requires the use of the TDHCA Income Certification form, unless the property also participates in the Rural Development or a project Based HUD program, in which case, the other program's income certification form will be accepted.

§60.109. Utility Allowances.

(a) The Department will monitor to determine if HTC, HOME, BOND, HTF, CDBG, NSP, TCAP and Exchange properties comply with published rent limits which include an allowance for tenant paid utilities. For HTC, TCAP and Exchange buildings, if the residents pay utilities directly to the owner of the building or to a third party billing company, and the amount of the bill is based on an allocation method or "ratio utility billing system" (RUBS), this monthly amount will be considered a mandatory fee. For HTC, TCAP and Exchange buildings, if the residents pay utilities directly to the owner of the building or to a third party billing company, and the amount of the bill is based on the tenant's actual consumption, owners may account for the utility in an allowance. The rent, plus all mandatory fees, plus an allowance for those utilities paid by the resident directly to a utility provider, must be less than the allowable limit. For HOME, BOND, HTF, NSP and CDBG buildings, owners may account for utilities paid directly to the owner or to a third party billing company in their utility allowance. Where residents are responsible for some, or all, of the utilities -- other than telephone, cable, and internet -- Development Owners must use a utility allowance that complies with both this section and the applicable program regulations. An Owner may not change utility allowance methods without written approval from the Department. Any such request must include the Utility Allowance Questionnaire found on the Department's website.

(b) Rural Housing Service (RHS) buildings or buildings with RHS assisted tenants. The applicable utility allowance for the Development will be determined under the method prescribed by the RHS (or successor agency). No other utility method described in this section can be used by RHS buildings or buildings with RHS assisted tenants.

(c) HUD-Regulated buildings layered with any Department program. If neither the building nor any tenant in the building receives RHS rental assistance payment, and the rents and the utility allowances of the building are reviewed by HUD on an annual basis (HUD-regulated building), the applicable utility allowance for all rent restricted Units in the building is the applicable HUD utility allowance. No other utility method described in this section can be used by HUD-regulated buildings.

(d) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the following methods:

(1) The utility allowance established by the applicable Public Housing Authority (PHA) for the Section 8 Existing Housing Program. The Department will utilize Texas Local Government Code Chapter 392 to determine which PHA is the most applicable to the Development. If the PHA publishes different schedules based on building type, the owner is responsible for implementing the correct schedule based on the development's building type(s). Example 109(1): The applicable PHA publishes a separate utility allowance schedule for Apartments (5+ units), one for Duplex/Townhomes and another for Single Family Homes. The development consist of twenty (20) buildings, ten (10) of which are Apartments (5+ units) and the other ten (10) buildings are Duplexes. The owner must use the correct schedule for each building type. In the event the PHA publishes a utility allowance schedule specifically for energy efficient units, the owner must demonstrate that the building(s) meet the housing authority's specifications for energy efficiency on an ongoing basis. If the property is located in an area that does not have a municipal, county or regional housing authority that publishes a utility allowance schedule for the Section 8 Existing Housing Program, Owners must select an alternative methodology. If the applicable PHA allowance lists flat fees for any utility, those flat fees must be included in the calculation of the utility allowance if the resident is responsible for that utility. If an Owner chooses to implement a methodology as described in paragraph (2), (3), (4), or (5) of this subsection for Units occupied by Section 8 voucher holders, the utility allowance remains the applicable PHA utility allowance established by the PHA from which the household's voucher is received.

(2) A written estimate from a local utility provider. If there are multiple utility companies that service the Development, the local provider must be a residential utility company that offers service to the residents of the Development requesting the methodology. The Department will use the Texas Electric Choice website: <http://www.powertochoose.org/> to verify the availability of service. If the utility company is not listed as a provider in the Development's ZIP code, the request will be denied. Additionally, the estimate must be signed by the utility provider representative and specifically include all "component charges" for providing the utility service. Receipt of the information from the utility provider begins the ninety (90) day period after which the new utility allowance must be used to compute gross rent.

(3) The HUD Utility Model Schedule. A utility estimate can be calculated by using the "HUD Utility Model Schedule" that can be found at <http://www.huduser.org/portal/resources/utlmodel.html> (or successor URL). The rates used must be no older than the rates in effect sixty (60) days prior to the beginning of the ninety (90) day period in which the Owner intends to implement the allowance. For Owners calculating a utility allowance under this methodology, the model, along with all back-up documentation used in the model, must be submitted to the Department, on a CD, within the timeline described in subsection (f) of this section. The date entered as the "Form Date" on the "Location" tab of the spreadsheet will be the date used to begin the ninety (90) day period after which the new utility allowance must be used to compute gross rent.

(4) An energy consumption model. The utility consumption estimate must be calculated by a properly licensed mechanical engineer or an individual holding a valid Residential Energy Service Network (RESNET) or Certified Energy Manager (CEM) certification. The individual must not be related to the Owner within the meaning of §267(b) or §707(b) of the Code. The utility consumption estimate must, at minimum, take into consideration specific factors that include, but are not limited to, Unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of building location. The ninety (90) day period after which the new utility allowance must be used to compute gross rent will begin sixty (60) days after the end on the last month of the twelve (12) month period for which data was used to compute the estimate.



*Actual Use Method.*

(5) An allowance based upon an average of the actual use of similarly constructed and sized Units in the building using actual utility usage data and rates, provided that the Development Owner has the written permission of the Department. This methodology is referred to as the "Actual Use Method."

(e) For a Development Owner to use the Actual Use Method they must:

(1) provide a minimum sample size of usage data for at least five (5) Continuously Occupied Units of each Unit Type or 20 percent of each Unit Type whichever is greater. Example 109(2): A Development has twenty (20) three bedroom/one bath Units, and eighty (80) three bedroom/two bath Units. Each bedroom/bathroom equivalent Unit is within 120 square feet of the same floor area. Data must be supplied for at least five (5) of the three bedroom/one bath Units, and sixteen (16) of the three bedroom/two bath Units. If there are less than five (5) Units of any Unit Type, data for 100 percent of the Unit Type must be provided.

(2) the following information <sup>scan</sup> must be scanned onto a CD and submitted <sup>print</sup> to the Department no later than the beginning of the ninety (90) day period in which the Owner intends to implement the allowance, reflecting data no older than sixty (60) days prior to the ninety (90) day implementation period. Example 109(3): The utility provider releases the information regarding electric usage at Westover Townhomes on February 5, 2010. The data provided is from February 1, 2009 through January 31, 2010. The Owner must submit the information to the Department no later than March 31, 2010 for the information to be valid.

(A) An Excel spreadsheet listing each Unit for which data was obtained to meet the minimum sample size requirement of a Unit Type, the number of bedrooms, bathrooms and square footage for each Unit, the household's move-in date, the actual kilowatt usage for each Unit for which data was obtained, and the rates in place at the time of the submission.

(B) A copy of the request to the utility provider (or billing entity for the utility provider) to provide usage data.

(C) All documentation obtained from the utility provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider.

(D) The rent roll showing occupancy as of the end of the month for the month in which the data was requested from the utility provider.

(E) Documentation of the current utility allowance used by the Development.

(3) Upon receipt of the required information, the Department will determine if the Development Owner has provided the minimum information necessary to calculate an allowance using the Actual Use Method. If so, the Department shall calculate the utility allowance for each bedroom size using the following guidelines:

(A) If data is obtained for more than 20 percent or five (5) of each Unit Type, all data will be used to calculate the allowance.

(B) If more than twelve (12) months of data is provided for any Unit, only the data for the most current twelve (12) months will be averaged.

(C) The allowance will be calculated by multiplying the average units of measure for the applicable utility (i.e. kilowatts over the last twelve (12) months by the current rate) for all Unit Types within that bedroom size. For example: If sufficient data is supplied for eighteen (18) two bedroom/one bath Units, and twelve (12) two bedroom/two bath Units, the data for all 30 Units will be averaged to calculate the allowance for all two bedroom Units.

(D) The allowance will be rounded up to the next whole dollar amount. If allowances are calculated for different utilities, each utility's allowance will be rounded up to the next whole dollar amount and then added together for the total allowance.

(E) If the data submitted indicates zero (0) usage for any month, the data for that Unit will not be used to calculate the Utility Allowance.

(4) The Department will complete its evaluation and calculation within forty-five (45) days of receipt of all the information requested in paragraph (2) of this subsection.

(5) Receipt of approval from the Department will begin the ninety (90) day period after which the new utility allowance must be used to compute gross rent.

(6) For newly constructed Developments or Developments that have Units which have not been continuously occupied, the Department, on a case by case basis, may use consumption data for Units of similar size and construction in the geographic area to calculate the utility allowance.

(f) Effective dates. If the Owner uses the methodologies as described in subsection (b), (c), or (d)(1) of this section, any changes to the allowance can be implemented immediately, but must be implemented for rent due ninety (90) days after the change. For methodologies as described in subsection (d)(2) - (5) of this section, the allowance cannot be implemented until the estimate is submitted to the Department and is made available to the residents by posting in a common area of the leasing office at the Development. This action must be taken by the beginning of the ninety (90) day period <sup>after?</sup> in which the Owner intends to implement the utility allowance. With the exception of the methodology described in subsection (d)(5) of this section, if a response is not received <sup>from?</sup> by the Department within the ninety (90) day period, the Owner may temporarily use the submission as a safe harbor until the Department provides written authorization (the Owner cannot assume that the allowance is approved by the Department but can operate in good faith prior to notification). Failure to submit the proposed utility allowance to the Department and make it available to the residents will result in a finding of noncompliance.

(g) Requirements for Annual Review. Owners utilizing the methods described in subsections (b) and (c) of this section must demonstrate the utility allowance has been reviewed annually. Any change in the method described in subsection (d)(1) of this section can be implemented immediately, but must be implemented for rent due ninety (90) days after the change. Owners utilizing the methods described in subsection (d)(2) - (5) of this section must submit to the Department, once a calendar year, copies of the utility estimate and simultaneously make the estimate available to the residents by posting the estimate in a common area of the leasing office at the Development. Changes in utility allowances cannot be implemented until the estimate has been submitted to the Department and made available to the residents by posting in the leasing office for a ninety (90) day period. The back-up documentation required by the methodology the Owner has chosen must be submitted to the Department for approval no later than October 1st; however, the Department encourages Owners to submit documentation prior to the October 1st deadline in order to ensure that the Department has adequate time to review and respond to the Owner's estimate.

<sup>use</sup>  
(h) Combining Methodologies. With the exception of HUD regulated buildings and RHS buildings, Owners may ~~combine~~ any methodology described in this section for each utility service type paid directly by the resident and not by or through the Owner of the building (electric, gas, etc.). *For example:* If residents are responsible for electricity and gas, an Owner may use the appropriate PHA allowance to determine the gas portion of the allowance and use the Actual Use Method to determine the electric portion of the allowance.

(i) Increases in Utility Allowances for Developments with HOME funds. Unless otherwise instructed by HUD, the Department will permit owners to implement changes in utility allowance in the same manner as ~~Housing Tax Credit~~.

<sup>HTC Developments</sup>  
(j) The owner shall maintain and make available for inspection by the tenant the data upon which the utility allowance schedule is calculated. Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling Unit of the tenant at the convenience of both the ~~apartment~~ owner and tenant.

§60.110. Lease Requirements (HTC and HOME Properties).

<sup>Developments,</sup>  
(a) For HTC properties, Revenue Ruling 2004-82 prohibits the eviction or termination of tenancy of low income households for other than good cause throughout the entire Affordability Period, and for three (3) years after termination of an extended low-income housing commitment. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or terminations of tenancy for other than good cause are prohibited.

<sup>Developments,</sup>  
(b) For HOME properties, the HOME Final Rule prohibits Owners from evicting low income residents or refusing to renew a lease except for serious or repeated violations of the terms and conditions of the lease, for violations of applicable federal, state or local law, for completion of the tenancy period for transitional housing, or for other good cause. To terminate tenancy, the Owner must serve written notice to the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or non-renewal of leases for other than good cause are prohibited (24 CFR §92.253).

(c) The Department does not determine if an Owner has good cause or if a resident has violated the lease terms. If there is a challenge to a good cause eviction, that determination will be made by a court of competent jurisdiction or an agreement of the parties in arbitration. The Department will rely on the court decision or the agreement of the parties.

<sup>Developments</sup>  
(d) HTC and BOND properties must use a lease or lease addendum that requires households to report changes in student status.

<sup>HTC</sup>  
(e) Owners of Housing Tax Credit Developments are prohibited from locking out or threatening to lock out any Development resident, or seizing or threatening to seize the personal property of a resident, except by judicial process, for the purposes of performing necessary repairs or construction work, or in cases of emergency. These prohibitions must be included in the lease or lease addendum.

§60.111. Annual Recertification for all Programs and Student Requirements for HTC, Exchange, TCAP and BOND Developments.

(a) Recertification Requirements for 100 percent low income HTC, Exchange and TCAP Developments:

(1) Regardless of the requirements stated in a LURA, the Department will not monitor to determine if 100 percent low income Housing Tax Credit Developments perform annual income recertifications. Households will maintain the designation they had at initial certification.

HTC

(2) To comply with HUD reporting requirements, once every calendar year, the Development must collect a self certification from each household that reports the following: the number of household members, age, ethnicity, race, disability status, rental amounts and rental assistance (if any). In addition, the self certification will collect information about student status to establish ongoing compliance with the HTC program. The Development must collect this self certification information on the Department's Annual Eligibility Certification form (AEC) and must maintain the certification in all household files.

(3) One-Hundred percent low income Housing Tax Credit Developments that continue to complete annual income recertifications are required to obtain the AEC form described above and maintain it in all household files. The Department will not review recertification documentation during a monitoring review unless noncompliance is identified with the initial certification. Failure to complete the AEC form will result in a noncompliance finding under, "Failure to maintain or provide Annual Eligibility Certification" and scored in the Department's Compliance Status System as applicable.

HTC FOR HOW LONG?

STEP OK

(b) Recertification Requirement for Mixed Income HTC, Exchange and TCAP Developments: HTC projects (as defined on Part II question, 8b of IRS form 8609) with Market Units must complete annual income recertifications. See §60.112 of this chapter (relating to Managing Additional Income and Rent Restrictions for HTC, Exchange and TCAP Developments) for maintaining compliance with the Available Unit Rule.

(defined below)

(c) Student Requirements for HTC, Exchange and TCAP Developments: Changes to student status reported by the household at anytime during their occupancy or on the AEC require the Owner to determine if the household continues to be eligible under the HTC program. During the Compliance period, if the household is comprised of full-time students, the household must meet a HTC program exception, and documentation must be maintained in the household's file. The Development must have a statement in a lease addendum (or in their lease contract) that requires households to report changes in their student status. During the Compliance Period, Noncompliance with this section will result in the issuance of IRS Form(s) 8823 reporting noncompliance under, "Low-income Units occupied by nonqualified full-time students" and scored in the Department's Compliance Status System as applicable. Regardless of the requirements stated in a LURA, after the Compliance Period, the Department will not monitor to determine if households meet the student requirements of the Housing Tax Credit program.

supporting How LONG

STEP OK

(d) Recertification Requirements for BOND Developments: Regardless of the requirements stated in a LURA the Department will not monitor to determine if 100 percent income restricted Bond developments (all units required to be leased to low-income and eligible tenants) perform annual income recertifications. Households will maintain their designation they had at initial certification.

How LONG?

(e) Student Requirements for BOND Developments: Bond Developments must continue to annually screen households for student status. The Owner must use the Department's Certification of Student Eligibility form and it must be maintained in the household's file. Changes to student status that the household reports at anytime during their occupancy or during annual screening for student status require the Owner to determine if the household continues to be eligible under the Bond program. If the household is comprised of full-time students then the household must meet a program exception, which must be documented and maintained in the household's file. If the household is not an eligible student household, it may be possible to re-designate the full-time student household to a Eligible Tenant (ET). The Development must have a statement in a lease addendum (or in their lease contract) that requires households to report changes in their student status. Noncompliance with this section will result in a

noncompliance finding under, "Low-income Units occupied by nonqualified full-time students" and scored in the Department's Compliance Status System as applicable.

(f) Recertification Requirements for HOME Developments:

(1) For HOME Investment Partnership Developments, in accordance with 24 CFR §92.203 and §92.252 of the HOME Final Rule, regardless of the requirements stated in a LURA, recertification requirements will be monitored as shown in paragraph (2)(A) - (F) of this subsection.

(2) HOME Developments must complete a recertification with verifications of each HOME assisted Unit every sixth year of the Development's affordability period. For purposes of this section the beginning of a HOME Development affordability period is the effective date on the first page of the HOME LURA. For example: A HOME Development with a LURA effective date of May 2001 will have the sixth year of the affordability period determined in Example 111(1):

(A) Year 1: May 2001 - April 2002

(B) Year 2: May 2002 - April 2003

(C) Year 3: May 2003 - April 2004

(D) Year 4: May 2004 - April 2005

(E) Year 5: May 2005 - April 2006

(F) Year 6: May 2006 - April 2007

(3) In the scenario in paragraph (2) of this subsection, all households in HOME Units must be recertified with source documentation between May 2006 to April 2007, even if a household moved in to the Development in 2005. In the intervening years the Development must collect a self certification from each household that is assisted with HOME funds. The form must report the following: the number of household members, age, income and assets, ethnicity, race, disability status, rental amounts and rental assistance (if any). The Development must use the Department's Income Certification form to collect this information and it must be maintained in the household's file. Noncompliance with this section will result in a noncompliance finding of, "Owner failed to maintain or provide tenant annual income recertification" and scored in the Department's Compliance Status System as applicable. If the household reports on their self certification that their household income is above the current 80 percent applicable income limit or there is evidence that the household's written statement failed to completely and accurately provide information about the household's characteristics and/or income, then a recertification with verifications is required.

How long?

(4) Fixed HOME Developments (defined as 100 percent of the Units in the Development are HOME assisted) that contain households with an annual income greater than the 80 percent applicable income limit at recertification must be designated as over income (OI) and the rent charged must be 30 percent of the household's adjusted income. The Next Available Unit must be leased to a household with an income and rent less than either the Low or High HOME limit depending on what designation the Development needs to maintain compliance with the HOME LURA. Noncompliance with this section will result in a noncompliance finding of "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(5) Floating HOME Developments with Market Units (defined when only a percentage of the Units are HOME assisted) that contain households with income greater than 80 percent at recertification must be designated as OI and the rent charged will be the lesser of 30 percent of the household's adjusted income or comparable Market rent. The Next Available non-HOME Unit on the Development must be leased to a household with income and rent less than either the Low or High HOME limit depending on what designation the Development needs to maintain compliance with the HOME LURA. The OI household may be redesignated as Market once the OI Unit is replaced with another low-income Unit and in accordance with the lease terms. A 30 day written notice of a rent increase must be provided to the OI household. Noncompliance with this section will result in a noncompliance finding of, "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(6) One-hundred percent low income HOME Developments layered with other Department affordable housing programs, that contain household's with income greater than 80 percent at recertification, must be designated as OI under the HOME program. The rent charged must be the lesser of 30 percent of the household's adjusted income or the gross rent allowable under the other program's rent limit. The Development must maintain compliance with all applicable program rent requirements. Noncompliance with this section will result in a noncompliance finding of, "Household income increased above 80 percent at recertification and owner failed to properly determine rent" and scored in the Department's Compliance Status System as applicable.

(g) Recertification Requirements for One-Hundred Percent Developments: Regardless of the requirements stated in a LURA, the Department will not monitor to determine if 100 percent low income Housing Trust Fund Developments performed annual income recertifications. The household will maintain its initial low-income designation at move in and throughout the household's occupancy (i.e. Extremely Low Income, Very Low Income and Low Income) provided that the Owner does not charge gross rent in excess of the applicable rent limit.

(h) Recertification Requirements for HTF Developments with Market units: Housing Trust Fund Developments with Market Units in one or more buildings (as evidenced in their LURA) must perform annual income recertifications of all households residing in Program Units. The HTF program requires Developments to comply with the Available Unit Rule. If a household's income exceeds 140 percent of the recertification limit (highest income tier), the household must be redesignated as OI and the Next Available Unit on the property must be leased to a household with an income and rent less than the (EVI, VL and LI) limit depending on what designation the property needs to maintain compliance with the LURA. The OI household may be redesignated in accordance with lease terms as Market once the OI Unit is replaced with another low-income Unit.

(i) Recertification Requirements for CDBG and NSP Developments: A CDBG or NSP Developments are not required to perform annual recertifications unless the CDBG and NSP LURAs specifies this requirement.

*§60.112. Managing Additional Income and Rent Restrictions for HTC, Exchange and TCAP Developments.*

(a) Under the Code, HTC Development Owners elect a minimum set-aside requirement of 20/50 or 40/60 (20 percent of the Units restricted to the 50 percent income and rent limit, or 40 percent of the Units restricted at the 60 percent income and rent limits). The minimum set-aside elected sets the maximum income and rent limits for the low-income units on the Development. Many Developments have additional income and rent requirements (i.e. 30 percent, 40 percent and 50 percent) that are lower than the minimum set-aside requirement. This requirement is referred to as "additional occupancy

LURA.

restrictions" and is reflected in the Development's ~~Land Use Restriction Agreement (LURA)~~. The Department will examine the actual gross rent and income levels of all households to determine if the additional income and rent requirements of the LURA are met.

<sup>HTC</sup>  
 (b) For 100 percent ~~Developments~~ that are not required to perform annual recertification, regardless of the requirements stated in the Development's LURA, the additional rent and occupancy restrictions will be monitored as follows:

(1) Households initially certified at the 30 percent income and rent limits. Households will maintain their designation they had at initial move-in. The Unit will continue to meet the 30 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 30 percent rent limit. When the household vacates the Unit, the next available Unit on the property is leased to a household with an income and rent less than the 30 percent limit.

(2) Households initially certified at the 40 percent income and rent limits. Households will maintain their designation they had at initial move in. The Unit will continue to meet the 40 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 40 percent rent limit. When the household vacates the Unit, the next available Unit on the property is leased to a household with an income and rent less than the 40 percent limit.

(3) Households initially certified at the 50 percent income and rent limits. Households will maintain their designation they had at initial move in. The Unit will continue to meet the 50 percent set-aside requirement provided that the Owner does not charge gross rent in excess of the 50 percent rent limit. When the household vacates the Unit, the next available Unit on the property is leased to a household with an income and rent less than the 50 percent limit.

<sup>HTC</sup>  
 (c) Mixed Income ~~Housing Tax Credit~~ Developments with Market Units will be monitored as follows:

<sup>HTC</sup>  
 (1) The ~~Housing Tax Credit~~ program requires Mixed Income Developments with Market Units to comply with the Available Unit Rule. When a household's income at recertification exceeds 140 percent of the applicable current income limit elected by the minimum set-aside, the owner must comply with the Available Unit Rule and lease the next available unit (same size or smaller) in the building to a low-income household to maintain compliance. For HTC Developments that are required to perform annual recertifications, the additional rent and occupancy restrictions will be monitored as follows:

(A) Households initially certified at the 30, 40 or 50 percent income and rent limits:

<sup>they</sup>  
 (B) Households will maintain the designation they had at initial move in unless the household's income exceeds 140 percent of the highest income tier established by the minimum set-aside. The Unit will continue to meet the designation ~~that~~ had at initial certification provided that the Owner does not charge gross rent in excess of the additional rent and occupancy rent limit:

(C) The household will not be required to vacate the Unit for other than good cause. When the household vacates the Unit, the next available Unit on the property must be leased so as to meet the property's additional rent and occupancy restrictions:

<sup>01</sup>  
 (D) If the household's income exceeds 140 percent of the highest income tier established by the minimum set-aside the household must be redesignated as ~~over-income (OI)~~ and the Next Available Unit Rule must be followed. *Example 112(1): A household was initially certified at the 40 percent income limit at move in. The household's income increases at recertification above the 40 percent*



income limit to the 50 percent income limit. The Unit will continue to meet the 40 percent set-aside requirement provided that the Owner does not charge rent in excess of the 40 percent rent limit. When the household vacates the Unit, the Next Available Unit on the property is leased to a household with an income and rent less than the 40 percent limits.

(2) This subsection does not require HTC Developments to lease more Units under the additional occupancy restrictions than established in their LURA.

§60.113. Household Unit Transfer Requirements for all Programs.

(a) Household Transfers for One-Hundred percent HTC and TCAP Developments. For Housing Tax Credit Developments that are 100 percent low-income, a household may transfer to any Unit within the same project, as defined as a multiple building project on Part II, question 8b of the IRS form 8609. If the Owner elected to treat each building as a separate project, as defined on Part II, question 8b of the 8609 form, households must be certified as low-income (determined by the Development's minimum set-aside election) prior to moving to another building on the property.

(b) Household Transfers for Mixed Income HTC and TCAP Developments. For Housing Tax Credit Developments that are Mixed Income with Market Units, a household may transfer to another building in the same project, as defined as a multiple building project on Part II of the IRS form 8609. If the household was not Over Income at the time of the last annual income recertification. If the Owner elected to treat each building as a separate project, as defined on Part II of the IRS form 8609, households must be certified as low-income (determined by the Development's minimum set-aside election) prior to moving to another building on the property.

(c) BOND, HTF, HOME, CDBG and NSP for Household Transfers. For BOND, HTF, HOME, CDBG and NSP Developments that are 100 percent low-income, a household may transfer to any Unit within the Development. If the Development has Market Units in one or more buildings (as evidenced in their LURA), a household may transfer to any Unit within the Development as long as the household is income certified for the new Unit prior to transfer. The household must be redesignated under the current income limit for each program requirement(s). If the Development is layered with Housing Tax Credits, default to transfer guidelines under the HTC rules.

(d) Household Transfers in the Same Building for all Programs. A Household may transfer to a new Unit within the same building. The unit designations will swap status. Example 113(1): Building 1 has 4 low-income Units. Units 1 through 3 are occupied by low-income households and Unit 4 is a vacant low-income unit. The household in Unit 2 moves to Unit 4 and the Unit designations swap status. Unit 2 is now a vacant low-income unit.

§60.114. Requirements Pertaining to Households with Rental Assistance.

(a) The Department will monitor to ensure Development Owners comply with §2306.269 and §2306.6728, Texas Government Code, regarding residents receiving rental assistance under §8, United States Housing Act of 1937 (42 U.S.C. §1437f).

(b) The policies, standards and sanctions established by this section apply only to:

(1) multifamily housing developments that receive the following assistance from the Department on or after January 1, 2002 (§2306.185 of the Texas Government Code):



(A) a loan or grant in an amount greater than 33 percent of the market value of the Development on the date the recipient took legal possession of the Development; or

(B) a loan guarantee for a loan in an amount greater than 33 percent of the market value of the Development on the date the recipient took legal title to the Development;

(2) multifamily rental housing Developments that applied for and were awarded housing tax credits after 1992;

(3) housing developments that benefit from the incentive program under §2306.805 of the Texas Government Code; and

(4) housing Developments that receive funding from the HOME program (24 CFR §92.252(d)).

(c) Owners of multifamily rental housing developments described in subsection (a) of this section are prohibited from:

(1) excluding an individual or family from admission to the Development because the individual or family participates in the HOME Tenant Based Rental Assistance Program or the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437f); and

(2) using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than 2.5 times the individual's or family's share of the total monthly rent payable to the Owner of the Development. A household participating in the voucher program or receiving any other type of rental assistance may not be required to have a minimum income exceeding \$2,500 per year.

(d) To demonstrate compliance with this section, Owners shall:

(1) State in their leasing criteria that the Development will comply with state and federal fair housing and antidiscrimination laws;

(2) Apply screening criteria uniformly (rental, credit, and/or criminal history), including employment policies, and in a manner consistent with the Texas and Federal Fair Housing Acts, program guidelines, and the Department's rules;

(3) Approve and distribute an Affirmative Marketing Plan that will be used to attract prospective applicants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability, familial status, or religious affiliation. Racial groups to be marketed to may include White, African American, Native American, Alaskan Native, Asian, Native Hawaiians or Other Pacific Islanders. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino groups, persons with disabilities, families with children, or persons with different religious affiliations. The Affirmative Marketing plan must be provided to the property management and onsite staff. Owners are encouraged to use HUD Form 935.2A, and may use any version of this Form as applicable. The Affirmative Marketing Plan must identify the following:

(A) Which group(s) the Owner believes are least likely to apply for housing at the Development without special outreach. All Developments must select persons with disabilities as one of the groups identified as least likely to apply. When identifying racial/ethnic minority groups the property will market to,

factors such as the characteristics of the housing's market area should be considered. Example 114(1): An Owner obtains census data showing that 6.5 percent of the city's total population are identified as Asian Americans. However, the Owner's demographic data for the Development shows that zero (0) Asian American households are represented. The Owner chooses to identify Asian American groups as one of the groups least likely to apply at the Development without special outreach.

(B) Procedures that will be used by the Owner to inform and solicit applications from persons who are least likely to apply. Specific media and community contacts that reach those groups designated as least likely to apply must be identified (community outreach contacts may include neighborhood, minority, or women's organizations, grass roots faith-based or community-based organizations, labor unions, employers, public and private agencies, disability advocates, or other groups or individuals well known in the community that connect with the identified group(s)). Example 114(2): An Owner has identified the disabled as least likely to apply and has decided to send letters on a quarterly basis to the Case Manager at a non-profit organization coordinating housing for developmentally disabled adults. Additionally, the Owner will advertise upcoming vacancies in a monthly newsletter circulated by an organization serving the hearing impaired.

(C) How the Owner will assess the success of Affirmative Marketing efforts. Affirmative Marketing Plans should be reviewed on an annual basis to determine if changes should be made and plans must be updated every five (5) years to fully capture demographic changes in the housing's market area.

(D) Records of marketing efforts must be maintained for review by the Department during onsite monitoring visits. Example 114(3): The Owner keeps copies of all quarterly correspondence mailed to the contacts or community groups identified in the Affirmative Marketing Plan. The letters are dated and addressed and show that the Owner is actively marketing vacancies, or a waiting list to the groups identified in the Owner's plan. Failure to maintain a reasonable Affirmative Marketing Plan and documentation of marketing efforts on an annual basis will result in a finding of noncompliance.

(E) If a property does not have any vacant units, Affirmative Marketing is still required and Owners must maintain a waiting list. If a property does not have any vacancies and the waiting list is closed, Affirmative Marketing is not required.

(F) In accordance with 24 CFR §92.253(d) of the HOME Final Rule, Owners of HOME developments must maintain a written waiting list and tenant selection criteria. Failure to maintain these documents will result in a finding of noncompliance.

#### §60.115. Onsite Monitoring.

(a) The Department may perform an onsite monitoring review of any low income Development, and review and photocopy all documents and records supporting compliance with Departmental programs through the end of the Compliance Period or the end of the period covered by the LURA, whichever is later. The Development Owner shall permit the Department access to the Development premises and records.

(b) The Department will perform onsite monitoring reviews of each low income Development. The Department will conduct:

(1) the first review of HTC, Exchange and TCAP Developments by the end of the second calendar year following the year the last building in the Development is placed in service;

SHOULD THIS  
BE DEFERRED?

(2) the first review of all other Developments as leasing commences;

(3) subsequent reviews at least once every three years during the Affordability Period;

(4) a physical inspection of the Development including the exterior of the Development, Development amenities, and an interior inspection of a sample of Units; and

(5) limited reviews of physical conditions, including follow-up inspections to verify completion of reported corrective action, may be conducted without prior notice (unless access to tenant units is required, in which case at least forty-eight (48) hours notice will be provided).

(c) The Department will perform onsite file reviews and monitor:

(1) a sampling of the low income resident files in each Development, and review the income certifications;

(2) the documentation the Development Owner has received to support the certifications; and

(3) the rent records and any additional information that the Department deems necessary.

(d) At times other than onsite reviews, the Department may request for review, in a format designated by the Department, information on tenant income and rent for each Low Income Unit and may require a Development Owner to submit copies of the tenant files, including copies of the income certification, the documentation the Development Owner has received to support that certification, and the rent record for any low income tenant.

(e) The Department will select the Low Income Units and tenant records that are to be inspected and reviewed. Original records are required for review. The Department will not give Development Owners advance notice that a particular Unit, tenant record, or a particular year will be inspected or reviewed. However, the Department will give reasonable notice to the Development Owner that an onsite inspection or a tenant record review will occur so the Development Owner may notify tenants of the inspection or assemble original tenant records for review. If a credible complaint of fraud or other egregious noncompliance is received, the Department reserves the right to conduct (unannounced) onsite monitoring visits.

§60.116. Monitoring for Social Services.

(a) If a Development's LURA requires the provision of social services, the Department will confirm this requirement is being met. Owners are required to maintain sufficient documentation to evidence that services are actually being provided. Documentation will be reviewed during onsite visits and must be submitted to the Department upon request. Example 116(1): The Owner's LURA requires provision of on-site daycare services. The Owner maintains daily sign in sheets to demonstrate attendance and keeps a roster of the households that are regularly participating in the program. The Owner also keeps copies of all newsletters and fliers mailed out to the Development tenants that reference daycare services.

(b) Supportive services must be fully implemented prior to the issuance of IRS forms 8609 for the Housing Tax Credit program. If an Owner wishes to change the scope of services provided, prior approval from the Department is necessary. The Department, upon review of the Owner's request and the Development's original application, may also require the Owner to submit a proposed amendment to the LURA. It is not necessary to obtain prior written approval to change the provider of services unless

§60.115 (b)(5) INDICATES  
VISITS CAN ALWAYS BE  
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the scope of services is being changed. Failure to comply with the requirements of this section shall result in a finding of noncompliance.

§60.117. Monitoring for Non-Profit Participation or HUB Participation.

(a) If a Development's LURA requires the material participation of a non-profit or Historically Underutilized Business (HUB), the Department will confirm this requirement is being met throughout the development phase and ongoing operations of the property. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB is materially participating. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.

STAFF LEVEL?

(b) If an Owner wishes to change the non-profit, or HUB, prior approval from the Department is necessary. The Annual Owner's Compliance Report also requires Owners to certify to compliance with this requirement. Failure to comply with the requirements of this section shall result in a finding of noncompliance. In addition, the Internal Revenue Service will be notified if the non-profit is not materially participating on a Housing Tax Credit property during the Compliance Period.

HTC Development

(c) The Department does not enforce partnership agreements or determine equitable fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction.

§60.118. Property Condition Standards.

(a) All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the Affordability Period. The Department will use HUD's Uniform Physical Condition Standards (UPCS) to determine compliance with property condition standards. In addition, Developments must comply with all local health, safety, and building codes. The Department may contract with a third party to complete UPCS inspections.

HTC

(b) Housing Tax Credit Development Owners are required by Treasury Regulation 1.42-5 to report (through the Annual Owner's Compliance Report) any local health, safety, or building code violations. HTC Developments that fail to comply with local codes shall be reported to the IR.

(c) The Department will evaluate UPCS reports in the following manner:

(1) A finding of Major Violations will be cited if:

not correction

(A) Life threatening health, safety, or fire safety hazards are reported on the Notification of Exigent and Fire Safety Hazards Observed form and are not corrected within twenty-four (24) hours of the inspection with notification submitted to the Department within seventy-two (72) hours of the inspection. Failure to notify the Department within seventy-two (72) hours of the correction of any exigent health and safety or fire safety hazards listed on the Notification will result in a finding of Major Violations of the Uniform Physical Condition Standards for the Development; or

(B) An overall UPCS score of less than 70 percent (69 percent or below) is reported;

(2) A finding of Pattern of Minor Violations will be assessed if an overall score between 70 percent and 89 percent is reported; or

(3) Findings of both Major and Minor Violations will be assessed if deficiencies reported meet the

criteria for both.

(d) The Department is required to report any HTC Development that fails to comply with any requirements of the UPCS or local codes at any time (including smoke detectors and blocked egresses) to the IRS on Form(s) 8823. Accordingly, the Department will submit Form(s) 8823 for any UPCS violation. However, if the violation(s) does not meet the conditions described in subsection (c)(1) or (2) of this section, the issue will be noted in the Department's compliance status system as Administrative Reporting and no points will be assigned in the Department's compliance status evaluation of the Development. Non-HTC properties that do not meet thresholds for Major and Pattern of Minor Violations as described in subsection (c)(1) or (2) of this section and correct all life threatening health, safety, and fire safety hazards noted at the time of inspection as directed in subsection (c)(1)(A) of this section will not receive findings for UPCS inspections. Items noted that do not exceed thresholds for Major and Pattern of Minor Violations must be corrected by submission of an Owner's Certification of Repair within the ninety (90) day corrective action period.

(e) Acceptable evidence of correction of deficiencies is a certification from an appropriate licensed professional that the item now complies with the inspection standard or other documentation that will allow the Department to reasonably determine when the repair was made and whether the repair sufficiently corrected the violation(s) of UPCS standards (examples of such documentation include work orders, photographs, and/or invoices to third party repair specialists).

(f) The Department will provide a ninety (90) day corrective action period to respond to a notice of noncompliance for violations of the UPCS. The Department will grant up to an additional ninety (90) day extension if there is good cause and the Owner clearly requests an extension during the corrective action period.

(g) 24 CFR §92.251 of the HOME Final Rule requires rental property assisted with HOME funds to be maintained in compliance with all local codes and Housing Quality Standards (HQS) (24 CFR §982.401). To meet this requirement, all HOME rental Development Owners must annually complete an HQS inspection of all HOME assisted Units. The Department will review HQS inspection sheets for all Units for compliance with this requirement during onsite monitoring visits.

(h) Selection of Units for inspection:

(1) Vacant Units will not be inspected (alternate Units will be selected) if a Unit has been vacant for fewer than thirty (30) days.

(2) Units vacant for more than thirty (30) days are assumed to be ready for occupancy and will be inspected. No deficiencies will be cited for inspectable items if utilities are turned off and the inspectable item is present and appears to be in working order.

(i) Property damage that is the direct result of utility damage or malfunction or repair activity relating to such damage that is beyond the property owner's control, including, but not limited to, eruption of gas, sewer or storm sewer mains, water mains, and electrical fires, will not be taken into consideration in determining a compliance score, provided that the property owner did not negligently or intentionally serve as a proximate cause for the damage.

§60.119. Notice to Owners.

The Department will provide written notice to the Development Owner if the Department does not

overcharged residents an application fee, the noncompliance will be reported to the IRS on Form(s) 8823 under the category Gross rent(s) exceeds tax credit limits. The noncompliance will be corrected on the later of January 1st of the next year or as of the date the application fee is reduced and evidence of a reduced application fee is supplied to the Department. Owners are not required to refund the overcharged fee amount. If the Development refunds the overcharged fee in full or in part, the units will remain out of compliance until January 1st of the next year or until the application fee is reduced.

(d) Rent or Utility Allowance Violations on Non-HTC properties. If it is determined that the property collected rent in excess of the allowable limit, the Department will require the Owner to refund to the affected residents the amount of rent that was overcharged.

(e) Trust Account to be established. If the Owner is required to refund rent under subsection (b) or (d) of this section and cannot locate the resident, the excess rent collected must be deposited into a trust account for the tenant. The account must remain open for the shorter of a four (4) year period, or until all funds are claimed. If funds are not claimed after the four year period, the unclaimed funds must be remitted to the Texas Comptroller of Public Accounts Unclaimed Property Holder Reporting Section to be dispersed as required by Texas unclaimed property statutes.

(f) Rent Adjustments for HOME properties. 24 CFR §92.252 of the HOME Final Rule requires Owners to charge households with an income in excess of 80 percent at recertification, a rent equal to the lesser of 30 percent of the household's adjusted income or the market rent for comparable unassisted Units in the neighborhood. If at recertification the household self-certifies an income in excess of the 80 percent limit, documentation of all income, assets and allowable deductions must be obtained by the owner. The Department will find a HOME property in noncompliance with this section if the Owner fails to determine the over income household's adjusted income and maintain documentation of market rents for comparable unassisted Units in the neighborhood.

(g) Special conditions for NSP and CDBG properties. To determine if a Unit is rent restricted, the amount of rent paid by the household, plus an allowance for utilities, plus any rental assistance payment must be less than the applicable limit.

§60.121. Notices to the Internal Revenue Service (HTC Properties).

THE NONCOMPLIANCE CHARTS  
INDICATE NOT ALL EVENTS  
ARE REPORTED

(a) Even when an event of noncompliance is corrected, the Department is required to file IRS Form(s) 8823 with the IRS. IRS Form(s) 8823 will be filed not later than forty-five (45) days after the end of the correction period specified in the Notice to Owner (including any extensions permitted by the Department) but will not be filed before the end of the correction period. The Department will indicate on IRS Form(s) 8823 the nature of the noncompliance and will indicate whether the Development Owner has corrected the noncompliance.

§60.123

Except as provided in section 60.125(d),

(b) The Department will retain records of noncompliance or failure to certify for six (6) years beyond the Department's filing of the respective IRS Form(s) 8823. The Department will retain the AOCRs and records for three years from the end of the calendar year the Department receives the certifications and records.

SEE ALSO  
§60.125  
(d)

(c) The Department will send the Owner of record copies of any IRS Form(s) 8823 submitted to the IRS. Copies of Form(s) 8823 will be submitted to the syndicator for Developments awarded tax credits after January 1, 2004. The Development Owner is responsible for providing the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

§60.122. Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period.

(a) HTC properties allocated credit in 1990 and after are required under §42(h)(6) of the Code to record a LURA restricting the property for at least thirty (30) years. Various sections of the Code specify monitoring rules State Housing Finance Agencies must implement during the Compliance Period.

(b) After the Compliance Period, the Department will continue to monitor <sup>HTC</sup> Housing Tax Credit Developments using the rules detailed in paragraphs (1) - (12) of this subsection.

(1) On site monitoring visits will continue to be conducted approximately every three years, unless the Department determines that a more frequent schedule is necessary.

(2) In general, the Department will review 10 percent of the low income files. No less than five (5) files and no more than twenty (20) files will be reviewed.

(3) The exterior of the property, all building systems and 10 percent of Low Income Units. No less than five (5) but no more than thirty-five (35) of the Development's Low Income Units will be physically inspected to determine compliance with HUD's Uniform Physical Condition Standards. <sup>HTC?</sup>

(4) Each Development shall submit an annual report in the format prescribed by the Department.

(5) Reports to the Department must be submitted electronically as required in §60.105 of this chapter (relating to Reporting Requirements).

(6) Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA.

(7) <sup>HTC</sup> All households must be income qualified upon initial occupancy of any Low Income Unit. Proper verifications of income are required, and the Department's Income Certification form must be completed unless the Development participates in the Rural Rental Housing Program or a project based HUD program.

(8) <sup>HTC</sup> Rents will remain restricted for all Low Income Units. After the Compliance Period, utilities paid to the owner can be accounted for in the utility allowance. The tenant paid portion of the rent plus the applicable utility allowance must not exceed the applicable limit.

(9) All additional income and rent restrictions defined in the LURA remain in effect.

(10) For Additional Use Restrictions, defined in the LURA (such as supportive services, nonprofit participation, elderly, etc), refer to the property's LURA to determine if compliance is required after the completion of the compliance period.

(11) The Owner shall not terminate the lease or evict low income residents for other than good cause.

(12) The total number of required <sup>HTC</sup> Low Income Units must be maintained Development wide.

(c) After the first fifteen (15) years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) - (4) of this subsection.

(1) The student restrictions found in §42(i)(3)(D) of the Code. An income qualified household consisting

entirely of full time students may occupy. Low Income Unit.

(2) The building's applicable fraction found in the Development's Cost Certification and/or the LURA. Low income occupancy requirements will be monitored Development wide, not building by building.

(3) Household transfers between buildings restricted by §42(g)(1) of the Code. All households, regardless of HTC income level designation, will be allowed to transfer between buildings with the Development.

(4) The Department will not monitor the Development's application fee after the Compliance Period is over.

(d) Regardless of the requirements stated in a LURA, the Department will monitor in accordance with this section.

(e) Unless specifically noted in this section, all requirements of this chapter, LURA and §42 of the Code remain in effect for the Extended Use Period. These Post-Year fifteen (15) Monitoring Rules apply only to the HTC Developments administered by the Department. Participation in other programs administered by the Department may require additional monitoring to ensure compliance with the requirements of those programs.

§60.123. Material Noncompliance Methodology.

(a) The Department maintains a compliance history of each monitored Development in the Department's Compliance Status System. Developments with more than one program administered by the Department are scored by program. The Development will be considered in Material Noncompliance if the score for any single program exceeds the Material Noncompliance threshold for that program.

(b) A Development will not be assigned the scores noted in this section until after the Owner has been provided a written notice of the noncompliance and provided a corrective action deadline to show that either the Development was never in noncompliance or that the noncompliance event has been corrected.

(c) This section identifies all possible noncompliance events for all programs monitored by the Physical Inspection and Compliance Monitoring Sections of the CAO Division. However, not all issues listed in this section pertain to all Developments. In addition, only certain noncompliance events are reportable on Form(s) 8823. Those events that are reportable under the HTC program on Form(s) 8823 are so indicated in subsections (k) and (j) of this section.

(d) For HTC Developments, all Form(s) 8823 issued by the Department will be entered into the Department's Compliance Status System. However, Form(s) 8823 issued prior to January 1, 1998 will not be considered in determining Material Noncompliance.

(e) For all programs, a Development will be in Material Noncompliance if the noncompliance event is stated in this section to be Material Noncompliance. The Department may take into consideration the representations of the Owner regarding monitoring notices and Owner responses; however, unless an Owner can prove otherwise, the compliance records of the Department shall be presumed to be correct.

(f) All Developments, regardless of status, that are or have been administered, funded, or monitored by the Department, are scored even if the Development no longer actively participates in the program, with



the exception of properties in the Federal Deposit Insurance Corporation's (FDIC) Affordable Housing Disposition Program.

(g) A Development's score will be reduced by the number of points needed to be one point under the Material Noncompliance threshold provided that:

- (1) The Development has no previously reported noncompliance events that are uncorrected;
- (2) All newly identified noncompliance events are corrected during the corrective action period;
- (3) All corrective action documentation for the newly identified noncompliance is provided to the Department during the corrective action period; and
- (4) The Development was not already in Material Noncompliance at the time of its most recent monitoring review.

(h) If an owner is unable to correct all issues during the corrective action period, the owner may supply a corrective action plan for review by the Department that establishes dates that each uncorrected issue will be corrected and evidence of correction will be supplied. Provided that the Department approves the plan and the owner follows the plan, upon correction of all issues, a Development's score will be reduced by the number of points needed to be one point under the Material Noncompliance threshold provided that:

- (1) The Development has no previously reported noncompliance events that are uncorrected; and
- (2) The Development was not already in Material Noncompliance at the time of its most recent review.

(i) Noncompliance events are categorized as either "Development events" or "Unit/building events". Development events of noncompliance affect some or all the buildings in the Development; however, the Development will receive only one score for the noncompliance event rather than a score for each Unit or building. Other noncompliance events are identified individually by Unit and will receive the appropriate score for each Unit cited with an event. The Unit scores and the Development scores accumulate towards the total score of the Development. Violations under the HTC program are identified by Unit; however, the building is scored rather than the Unit and the building will receive the noncompliance score if one or more of the Units in that building are in noncompliance.

(j) Uncorrected noncompliance events, if applicable to the Development, will carry the maximum number of points until the noncompliance event has been reported corrected by the Department. Once reported corrected by the Department, the score will be reduced to the "corrected value." Corrected noncompliance will no longer be included in the Development score one year after the date the noncompliance was reported corrected by the Department.

(k) Each noncompliance event is assigned a point value. The possible events of noncompliance and associated "corrected" and "uncorrected" points are listed in subsection (l) of this section.

(l) Figure: 10 TAC §60.123(l) lists events of noncompliance that affect the entire Development rather than an individual Unit. The first column of the chart identifies the noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. The Material Noncompliance threshold for a HTC and Exchange Developments is thirty (30) points. The Material Noncompliance threshold for a non-HTC property with one (1) to fifty (50) Low Income Units is thirty

(30) points. The Material Noncompliance threshold for a non-HTC property with fifty-one (51) to two hundred (200) Low Income Units is fifty (50) points. The Material Noncompliance threshold for non-HTC properties with two hundred and one (201) or more Low Income Units is eighty (80) points. The third column lists the number of points assigned to the event from the date the issue is corrected until one (1) year after correction. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on Form(s) 8823 for HTC Developments.

Figure: 10 TAC §60.123(l) (.pdf)

(m) Figure: 10 TAC §60.123(m) lists ten (10) events of noncompliance associated with individual Units. The first column of the chart identifies the noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. The Material Noncompliance threshold for a HTC or Exchange property is thirty (30) points. The Material Noncompliance threshold for a non-HTC property with one (1) to fifty (50) Low Income Units is thirty (30) points. The Material Noncompliance threshold for a non-HTC property with fifty-one (51) to two hundred (200) Low Income Units is fifty (50) points. The Material Noncompliance threshold for non-HTC properties with two hundred one (201) or more Low Income Units is eighty (80) points. The third column lists the number of points assigned to the event from the date the issue is corrected until one year after the event is corrected. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on Form(s) 8823 for HTC Developments.

Figure: 10 TAC §60.123(m) (.pdf)

#### §60.124. Previous Participation Reviews.

(a) Prior to providing any Department assistance, executing a Carryover Allocation Agreement, or processing a request for a Qualified Contract, the CAO Division will conduct a previous participation review to determine if the requesting entity controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form, or has any unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division. Previous participation reviews will also be conducted if more than one hundred twenty (120) days elapse between Board approval of an Application and a financing. Assistance includes but is not limited to allocating any Department funds or tax credits, with the exception of CSBG funds, engaging in loan or contract modifications that result in increased funding, approving a modification to a LURA (other than a technical error) and providing incentive awards.

(b) HTC Developments with any uncorrected issues of noncompliance or with pending notices of noncompliance, will not be issued Form 8609s, Low Income Housing Credit Allocation Certifications, until all events of noncompliance are corrected.

(c) If during the previous participation review an uncorrected issue of noncompliance required by the HOME Final Rule is identified on a HOME Development monitored by the Department, the entity requesting assistance will be notified of the issue and provided five (5) business days to submit all necessary corrective action to cure the violation(s). The notification will be in writing and may be delivered by email. If the requesting entity does not cure the violation(s), the request for assistance will be terminated. If the request for assistance is terminated, the Board has the ability to reinstate the request for assistance for consideration as provided in §60.128(a) of this chapter (relating to Temporary Suspension of Previous Participation Reviews).

(d) If during the previous participation review, the Department determines that the requesting entity

How will TDHCA know it was delivered?

*in writing*

owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form, has unresolved audit or monitoring findings identified by the Contract Monitoring section of the CAO Division, or has control of an existing Development monitored by the Department that is in Material Noncompliance, the entity requesting assistance will be notified of the issue and provided five (5) business days to submit all necessary corrective action, pay the fees, bring the loan current, or otherwise cure the violation(s). If the requesting entity does not cure the issue(s), the request for assistance will be terminated. If the request for assistance is terminated due to Material Noncompliance, the Board has the ability to reinstate the request for assistance for consideration as provided in §60.128(b) of this chapter.

(e) If during the previous participation review, the Department determines that the requesting entity or any person controlling the requesting entity is on the Department's or the Department of Housing Urban Development's debarred list, the request for assistance will be terminated. A request for assistance properly terminated for this reason cannot be reinstated for consideration. The request for assistance can be re-submitted, however, if the person or entity that is on the debarred list is no longer part of the requesting entity.

(f) For the purposes of previous participation reviews:

(1) The Department will not take into consideration the score of a Development that the requesting entity has not controlled for at least three (3) years;

(2) The Department will not take into consideration the score of a Development for which the Affordability Period ended over three (3) years ago;

(3) The Department will not take into consideration the score attributed to a Development for noncompliance with FDIC's Affordable Housing Disposition Program;

(4) If a requesting entity no longer controls a Development but has controlled the Development at any time in the last three (3) years, the Department will determine the score for the noncompliance events with a date of noncompliance identified during the time the requesting entity controlled the Development. If the points associated with the noncompliance events identified during the requesting entity's control of the Development exceed the threshold for Material Noncompliance, the request for assistance will be terminated but may be subject to reinstatement by the Board as provided in §60.128 of this chapter.

(g) Date for determining Material Noncompliance. Previous participation reviews will be conducted prior to the Board meeting when funds will be awarded, or if the request is not subject to Board action, prior to the Department providing the requested assistance. The score in effect at the completion of the previous participation review process (which includes the five (5) business day cure period referenced in subsections (c) and (d) of this section) will be used to determine if the request for assistance will be terminated. Previous participation reviews are not required to be performed if less than one hundred-twenty (120) days have elapsed since the last review, provided there is no change in the organizational structure of the Owner of the Development.

(h) Treatment of units of government during a previous participation review. If a city, county or local government applies for assistance from the Department, a previous participation review will be conducted. If the city, county or unit of government controls a development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due single audit or single audit certification form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection

receive the Annual Owner Compliance Report (AOCR) or discovers through audit, inspection, review or any other manner that the Development is not in compliance with the provisions of the deed restrictions, conditions imposed by the Department, or program rules and regulations, including §42 of the Code. Owners may request that results of monitoring reviews be emailed if all email addresses in the Contract Monitoring Tracking System are up to date. If Owners request such notices be sent by email, a paper copy will not be mailed by the Department. The notice will specify a correction period of ninety (90) days from the date of notice to the Development Owner, during which the Development Owner may respond to the Department's findings, bring the Development into compliance, or supply any missing documentation or certifications. The Department may extend the correction period for up to six (6) months from the date of the notice to the Development Owner if there is good cause for granting an extension and the owner requests an extension during the original ninety (90) day corrective action period. If any communication to the Development Owner under this section is returned to the Department as refused, unclaimed or undeliverable, the Development may be considered not in compliance without further notice to the Development Owner. The Development Owner is responsible for providing the Department with current contact information, including address(es) and phone number(s). The Development Owner must also provide current contact information to the Department as required by §1.22 of this title (relating to Providing Contact Information to the Department).

§60.120. Special Rules Regarding Rents and Rent Limit Violations.

(a) Rent or Utility Allowance Violations of the maximum allowable limit (HTC). Under the HTC program, the amount of rent paid by the household plus an allowance for utilities, plus any mandatory fees, cannot exceed the maximum applicable limit (as determined by the minimum set-aside elected by the Owner) published by the Department. If it is determined that a HTC Development, during the Compliance Period, collected rent in excess of the rent limit established by the minimum set-aside, the Department will report the violation as corrected on the date that the rent plus the utility allowance, plus fees, is less than the applicable limit. The refunding of overcharged rent does not avoid the disallowance of the credit by the IRS.

(b) Rent or Utility Allowance Violations of additional rent restrictions (HTC). If the Owner agreed to lease Units at rents less than the maximum allowed under the Code (additional occupancy restrictions), the Department will require the Owner to refund to the affected residents the amount of rent that was overcharged. This applies during the entire Affordability Period. The noncompliance event will be considered corrected on the date which is the later of the date the overcharged rent was refunded/credited to the resident or the date that the rent plus the utility allowance is equal to or less than the applicable limit. *Example 120(1): For Code §42 purposes, the maximum allowable limit is 60 percent. However, the Owner agreed to lease some Units to households at the 30 percent income and rent limits. It was discovered that the 30 percent households were overcharged rent. The Owner will be required to reduce the current amount of rent charged and refund the excess rents to the households.*

(c) Rent Violations of the maximum allowable <sup>for</sup> limit due to application fees (HTC). Under the HTC program, Owners may not charge tenants any overhead costs as part of the application fee. Owners must only charge the actual cost for application fees as supported by invoices from the screening company the Owner uses. The amount of time Development staff spends on checking an applicant's income, credit history, and landlord references may be included in the Development's application fee. Development Owners may add \$5.50 per Unit to their other out of pocket costs for processing an application without providing documentation. Should an Owner desire to include a higher amount to cover staff time, wage information and a time study must be supplied to the Department upon request. Documentation of Development costs for application processing or screening fees must be made available during onsite visits or upon request. The Department will review application fee documentation during onsite monitoring visits. If the Department determines from a review of the documentation that the Owner has

(d) of this section will be followed. However, the previous participation of individual elected officials will not be considered provided that they are not the contract executor for the requesting entity.

(i) Treatment of nonprofits during a previous participation review. If a nonprofit applies, or is associated with, an application for assistance from the Department, a previous participation review will be conducted. If the nonprofit controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due Single Audit or Single Audit Certification Form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection (d) of this section will be followed. If it is determined that the Executive Director, Chair of the Audit Committee, Board Chair or any member of the Executive Committee of the nonprofit controls a Development that is in Material Noncompliance, owes the Department any fees, is sixty (60) days delinquent on a loan payment, has a past due Single Audit or Single Audit Certification Form or has unresolved audit or monitoring findings identified by the Contract Monitoring Section of the CAO Division, the process described in subsection (d) of this section will be followed. If within the five (5) business day period, the party with noncompliance resigns from the applicable position of the nonprofit organization requesting assistance, the noncompliance will not be taken into consideration. If it is determined that any member of the Board of the Nonprofit is on the Department's or the Department of Housing Urban Development's debarred list, the request for assistance will be terminated. A request for assistance properly terminated for this reason cannot be reinstated for consideration. The request for assistance can be re-submitted, however, if the person on the debarred list resigns from the applicable nonprofit organization requesting assistance.

(j) Previous participation review for ownership transfers. Consistent with this section, the Department will perform a previous participation review prior to approving any transfer of ownership of a Development or any change in the Owner of a Development. The previous participation review shall be conducted with respect to the Developments controlled by the person coming into ownership, not with respect to the Development or Owner being transferred.

§60.125. Alternative Dispute Resolution.

(a) It is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution (ADR) procedures to assist in resolving disputes under the Department's jurisdiction. If at any time an applicant or other person would like to engage the Department in an ADR process, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at §1.17 of this title.

(b) In all phases of monitoring (construction and throughout the entire Affordability Period), if a potential issue of noncompliance has been identified, Owners will be provided a written notice of noncompliance. In general, the Department will provide up to a ninety (90) day corrective action period which can and will be extended for an additional ninety (90) days if there is good cause and the Owner requests an extension during the corrective action period.

(c) Owners must respond to the Department's notice of noncompliance. If an Owner does not respond, this ADR process which is explained in this section cannot be initiated.

(d) If an Owner does not agree with the Department's assessment of compliance, they should clearly explain their position and provide as much supporting documentation as possible. If the position is reasonable and well supported, the issue of noncompliance will be cleared with no further action taken, i.e. for HTC properties, Form(s) 8823 will not be filed with the IRS and the issue will not be scored in

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SEEMS  
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§60.124  
(a)

the Department's compliance status system.

(e) If an Owner's response indicates disagreement with the Department's assessment of noncompliance, but does not appear to be a valid concern to the Department, staff will notify the Owner in writing of their right to engage in ADR. The Owner must respond in five (5) days and request ADR. In addition, the owner must request an extension of the corrective action deadline, if one is still available. If the owner does not respond to the staff's invitation to engage in ADR, the Department's assessment of the violation is final.

(f) The Department must meet the Treasury Regulation requirement found in §1.42-5 and file Form(s) 8823 within forty-five (45) days after the end of the corrective action period. Therefore, it is possible that the Owner and Department may still be engaged in ADR. In this circumstance, the Form(s) 8823 will be filed. However, it will be sent to the IRS with an explanation that the owner disagrees with the Department's assessment and is pursuing ADR. All Owner supplied documentation supporting their position will be supplied to the IRS. Although the violation will be reported to the IRS within the required timeframes, it will not be scored in the Department's compliance status system pending outcome of ADR.

(g) ADR is not an appropriate format for matters regarding interpretations of laws, regulations and rules. ADR can only be used when parties could reach consensus.

#### §60.126.Liability.

Compliance with the program requirements, including compliance with §42 of the IRC, is the sole responsibility of the Development Owner. By monitoring for compliance, the Department in no way assumes any liability whatsoever for any action or failure to act by the Development Owner, including the Development Owner's noncompliance with §42 of the IRC, the Fair Housing Act, §504 of the Rehabilitation Act of 1973, HOME program regulations, BOND program requirements, and all other programs monitored by the Department.

#### §60.127.Applicability.

Unless otherwise noted, these provisions apply to all Developments administered by the Department.

#### §60.128.Temporary Suspension of Previous Participation Reviews.

(a) An entity whose request for assistance is terminated under §60.124 of this chapter (relating to Previous Participation Reviews) may request reinstatement of the Application for consideration for approval. The request must be in writing and must be submitted to the Department within five (5) business days of the date of the Department's letter notifying the requesting entity of the termination/denial. A timely filed request for reinstatement shall be placed on the agenda for the next Board meeting for which it can be properly posted.

(b) If an Application for assistance was terminated under §60.124 of this chapter, the Board may consider reinstatement of the application only in the event that it determines, after consideration of the relevant, material facts and circumstances that:

(1) it is in the best interests of the Department and the State to proceed with the award;

(2) the award will not present undue increased program or financial risk to the Department or state;

Executive Director

Texas Department of Housing and Community Affairs

Earliest possible date of adoption: December 26, 2010

For further information, please call: (512) 475-3916

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(3) the applicant is not acting in bad faith; and

(4) the applicant has taken reasonable measures within its power to remedy the cause for the termination.

(c) Reinstatement of a terminated Application merely makes the Application eligible to be considered and does not, in and of itself, constitute approval.

§60.129. Temporary Suspension of other Sections of this Subchapter.

(a) Temporary suspensions of other sections of this subchapter may be granted if the Board finds one or more of the following factors applicable to a Development:

(1) A natural disaster or other act of God has made the application of this subchapter to a Development infeasible for a period of time and the Governor of Texas or President of the United States has previously made a disaster declaration for the area including the Development during the relevant time period;

(2) Due to documented shortages in items necessary to complete the requirements of the subchapter, the Owner was unable to meet the subchapter requirements, this would include but not be limited to a shortage of labor, building materials, or public utilities available;

(3) A federal rule has changed that significantly changed the ability of the Owner to deliver the services required at the time the Development was placed in service or began operation provided, however, that the Board cannot waive the rule itself and the Owner must comply, but the Board may suspend the compliance score related to the violation in this situation; and/or

(4) A Development has been subjected in part to a governmental action such as partial condemnation through no fault of the Owner, eminent domain, or zoning changes that do not allow corrections of compliance issues required by the Department.

(b) Under no circumstances can the Board suspend for any period of time compliance with the HOME Final Rule or regulations issued by HUD when required by federal law.

(c) Under no circumstances can the Board suspend for any period of time Treasury Regulations, IRS publications controlling the submission of Form(s) 8823, or any sections of 26 U.S.C. §42.

(d) Examples of items the Board could temporarily suspend include: the requirement to report online, requirement to use Department approved forms, sampling size requirements for agency calculated utility allowance, or the requirement to repay overcharged rent on a HTF property.

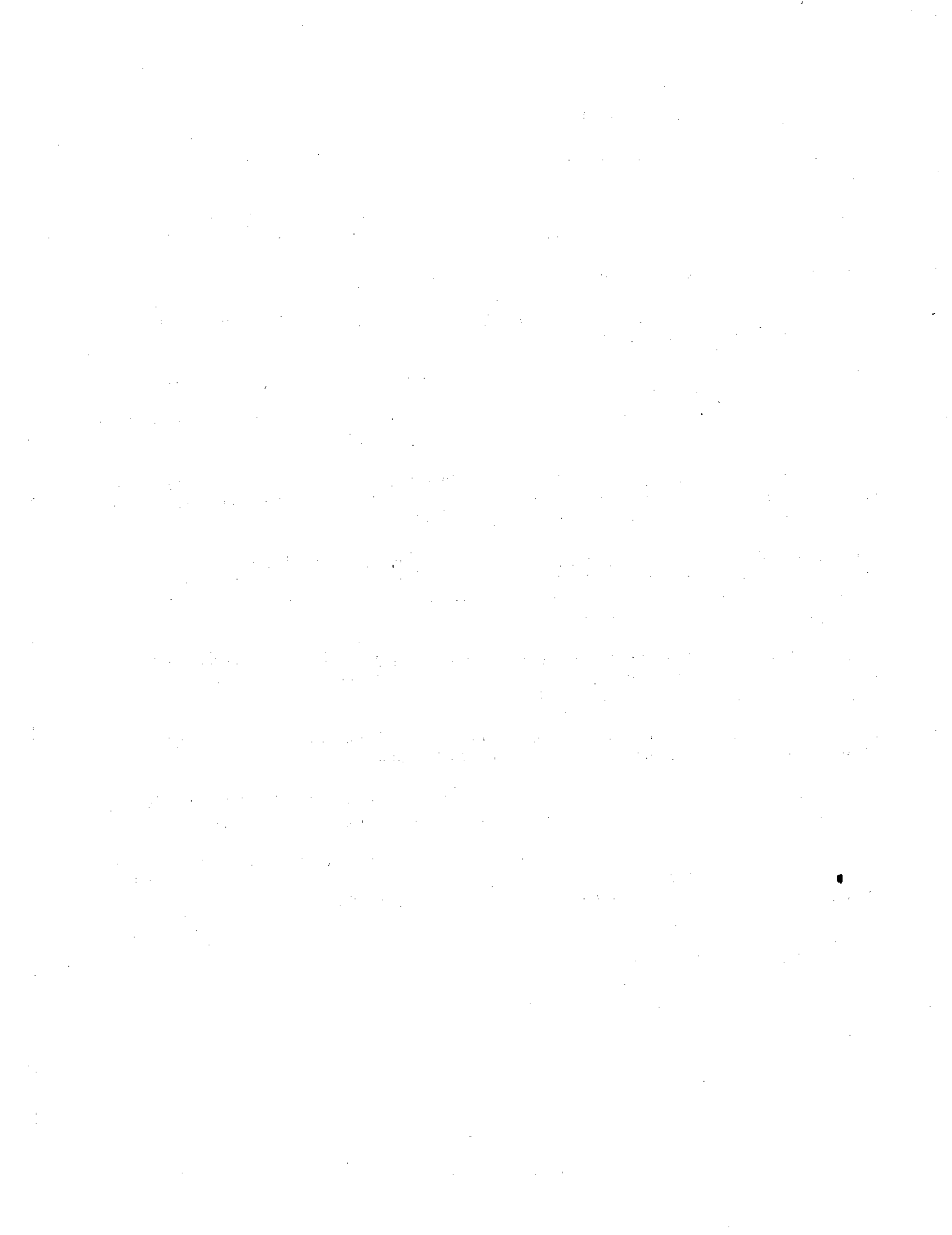
This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State on November 15, 2010.

TRD-201006530

Michael Gerber





**Compliance and Asset Oversight**

**BOARD ACTION REQUEST**

**January 20, 2011**

**Requested Action**

Discussion of a policy and provide staff with direction regarding a possible policy for handling amendments to the number of units, tenant population or other significant amendments to the terms of a funding agreement or award of housing tax credits

**Background**

The Department receives regular requests to approve material amendments to the terms of low income housing tax credit and other department funded and income restricted rental housing. Amendments are currently addressed through a process required in statute (*cf.* TEX. GOV'T. CODE, §2306.6711 ) which differentiates the levels of materiality. Most amendment requests are evaluated and resolved prior to the issuance of 8609s or prior to a final clearance of completion by Compliance and Asset Oversight and thus most often resolved prior to the execution of the Land Use Restriction Agreement (LURA).

Generally, the Department has discouraged or rejected material amendments after the development is complete and the LURA has been recorded. However, the Department has recently received several requests to approve amendments which would require significant modifications to the recorded LURA and/or regulatory agreement including some requests that involve material changes to the number of units provided and/or the tenant population to be served by those units. These amendments could potentially impact the finances and operations of the development, the rights of existing tenants, and the communities in which these developments are located.

A policy of rejecting such requests in all instances, while simplifying the administrative handling of such requests, may not ultimately be in the best interests of the affected parties and communities. That is especially the case where requested amendments relate to older properties which may have experienced the effects of changing demographics, local economies, and other material factors. Alternatively a policy of requiring a mere showing that the facts and circumstances that precipitated the requests were not anticipated but were beyond the developer's control may not provide sufficient opportunity to consider broader implications to tenants other interests, and affected communities.

Staff believes that a policy adopted by the Governing Board will ensure that such amendment requests are evaluated and assessed comprehensively and uniformly and that the staff recommendation and the governing board's ultimate decision to approve or deny will be based on the statutory criteria, a documented record, and due opportunity for interested or affected parties to express their views.

Staff suggests that material alterations to a LURA or other regulatory agreement executed by the Department that impact the items below should have a more comprehensive level of analysis and public disclosure as described in a Board policy. Moreover this policy, once approved, should be integrated, as appropriate, into the rules of the Department.

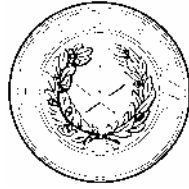
- A reduction in the number of restricted units,
- A change in the income and/or rent restriction levels,
- A change in the household target (*i.e.* general family, elderly, special needs)

Staff further suggests that the public disclosure requirements for amendments that meet the criteria above replicate the notice and disclosures required prior to the original reward as follows:

- The owner and the Department will jointly host a public hearing in which a presentation on the proposed changes will be made and input from the public will be received.
- The owner will provide notice of the public hearing in the local newspaper at least one week prior to the hearing and will provide notice to the existing tenants, State Representative and State Senator representing the area as well as the mayor and council if a city and the county judge and commissioners. If the development is in an unincorporated area, all county judges must be notified.
- The Department will consider all public input and provide a summary of comments and any resolutions to concerns identified by the comments in the final presentation of the amendment request to the Board.
- The Department will conduct a re-evaluation of the program requirements, underwriting and compliance history of the development and development partners and present the results of such evaluations at the time of final presentation of the amendment request to the Board.

At present the Department has three such requests. It is proposed that staff bring to the Board for its consideration and possible adoption at its March meeting a policy developed with appropriate public input and, at the earliest feasible date, its recommendations for action on each of these pending requests.

# REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Memorandum**

**To:** Michael Gerber  
**From:** Gordon Anderson  
**cc:** Tim Irvine, Michael Lyttle  
**Date:** January 11, 2011  
**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for the month December 2010. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

## TDHCA Outreach Activities, December 2010

*A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public*

<b>Event</b>	<b>Location</b>	<b>Date</b>	<b>Division</b>	<b>Purpose</b>
“United Texas – Housing Solutions that Work” Realtor Training	Houston	December 1	Home Ownership	Training
“United Texas – Housing Solutions that Work” Realtor Training	San Antonio	December 1	Home Ownership	Training
Multifamily Application Workshop	Austin	December 1	Multifamily, Real Estate Analysis	Training
First Thursday Income Eligibility Training	Austin	December 2	Compliance & Asset Oversight	Training
Mental Health Planning Advisory Committee Meeting	Austin	December 2	Housing Resource Center	Participant
NSP Subrecipient Homebuyer Training	Dallas	December 2	Neighborhood Stabilization	Training
Emergency Solutions Grants Program NOFA Workshop	Austin	December 2	Community Affairs	Training
NSP Roundtable	Austin	December 3	Neighborhood Stabilization	Roundtable Hearing
Disability Advisory Workgroup	Austin	December 3	Housing Resource Center	Presentation, Participant
Texas Mental Health Transformation Workgroup	Austin	December 3	Housing Resource Center	Presentation, Participant
Rural Housing Workgroup Meeting	Austin	December 6	Housing Trust Fund, Housing Resource Center	Participant
Grand Opening/HemisView Village	San Antonio	December 7	Executive, Policy & Public Affairs	Remarks, Participant
NSP Subrecipient Homebuyer Training	Houston	December 7	Neighborhood Stabilization	Training
Interagency Coordinating Commission for Building Healthy Families	Austin	December 7	Housing Resource Center	Participant
Grand Opening/Silver Leaf at Chandler	Chandler	December 9	Executive, Multifamily	Remarks, Participant
NSP Subrecipient Homebuyer Training	McAllen	December 9	Neighborhood Stabilization	Training
Homebuyer Assistance Technical Assistance meeting	Austin	December 9	HOME	Technical Assistance
NeighborWorks America Training Institute	National Harbor, MD	December 9-10	Housing Resource Center	Presentation, Participant
Contract for Deed Conversion Technical Assistance meeting	San Elizario	December 13	HOME	Technical Assistance
Contract for Deed Conversion Technical Assistance meeting	El Paso	December 13	HOME	Technical Assistance
Grand Opening/Cambridge Crossing	Corsicana	December 14	Policy & Public Affairs	Remarks, Participant
Contract for Deed Conversion Workshop	El Paso	December 14	HOME	Training
Housing and Health Services Coordination Council (HHSCC) Meeting	Austin	December 15	Housing Resource Center	Participant
“United Texas – Housing Solutions that Work” Realtor Training	Beaumont	December 16	Home Ownership	Training



**Rebuilding Texas: Disaster Recovery from Hurricanes Rita and Katrina**

**Hurricane Rita First Supplemental (\$74.5 million) - Public Law 109-148: Complete**

The housing funds under Rita Round 1, administered by regional Council of Governments, are fully expended. The Rita Round 1 program built 531 homes. All unutilized funds are included in the new Maximization Fund.

**Financial Summary**

	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Percentage Expended</b>	<b>Transfer to Maximization Fund</b>
<b>Deep East Texas Council of Governments</b>	\$6,674,546.00	\$6,674,546.00	100.00%	\$ -
<b>Houston-Galveston Area Council</b>	\$6,598,618.90	\$6,598,618.90	100.00%	\$58,477.10
<b>SETRPC</b>	\$26,472,723.41	\$26,472,723.41	100.00%	\$948,812.59
<b>Admin Funds</b>	\$1,406,920.00	\$1,406,920.00	100.00%	\$ -
<b>Unobligated Balance</b>	\$ -	\$ -	\$ -	\$218,087.00
<b>Totals</b>	<b>\$40,944,909.54</b>	<b>\$40,944,909.54</b>	<b>100.00%</b>	<b>\$1,225,376.69</b>

**Hurricanes Rita and Katrina Second Supplemental (\$428.6 million) - Public Law 109-234**

Activities and expenditures continue under the Rita Round 2 program, remaining funds after program close outs will transfer to the Maximization Fund.

**Construction Activities as of January 13, 2010**

**Homeowner Program**

- 2454 homes rehabilitated or reconstructed
- 24 homes currently under construction

**Rental Program**

- 1,083 rental units have been rehabilitated or reconstructed
- 794 rental units are currently under construction

**Financial Summary**

<b>Subrecipient Awards</b>	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Homeowner Assistance Program (HAP)</b>	\$210,371,273.00	\$199,147,405.42	\$11,223,867.58	94.66%
<b>Sabine Pass Restoration Program (SPRP)</b>	\$12,000,000.00	\$10,031,696.70	\$1,968,303.30	83.60%
<b>Rental Housing Stock Restoration Program (RHSRP)</b>	\$82,779,333.00	\$81,118,294.12	\$1,661,038.88	97.99%
<b>City of Houston</b>	\$41,500,000.00	\$32,134,398.28	\$9,365,601.72	77.43%
<b>Harris County</b>	\$17,313,240.00	\$12,177,137.90	\$5,136,102.10	70.33%
<b>Restoration of Critical Infrastructure Program (TDRA)</b>	\$42,000,000.00	\$34,543,686.09	\$7,456,313.91	82.25%
<b>State Administrative Funds (Admin Funds)</b>	\$19,799,254.00	\$12,700,626.43	\$7,098,627.57	64.15%
<b>Grand Total</b>	<b>\$425,763,100.00</b>	<b>\$381,853,244.94</b>	<b>\$43,909,855.06</b>	<b>89.69%</b>

\*Changes in totals are a result of the addition of the Maximization Fund.

**Maximization Fund**

This fund was created by TDHCA in December 2010 to move unutilized funds from other agencies and programs to the Homeowner Assistance Program in order to serve additional households.

Source of Funds		Anticipated additional homes to be served: <b>49</b>
Houston-Galveston Area Council	\$ 58,477.10	
SETRPC	\$ 948,812.59	
Harris County	\$ 2,821,098.00	
RHSRP	\$ 87,651.00	
Other sources	\$ 218,087.00	
<b>TOTAL</b>	<b>\$ 4,134,125.69</b>	

**Rebuilding Texas: Disaster Recovery from Hurricanes Ike and Dolly**

**Hurricane Ike and Dolly First Allocation (\$1.3 billion) - Public Law 110-329**

TDHCA has awarded \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,464 that has been awarded to 18 Subrecipients and \$59,926,832 for rental set-aside.

**Construction Activities as of January 13, 2010**

**Rental Program**

- Over \$59 million has been awarded to 13 multifamily developments in the hurricane impacted areas.
- 1,857 rental units are anticipated to be rehabilitated or reconstructed by the Ike awardees; 76 rental units are anticipated in the Dolly area.

**Subrecipient Program**

- Nine of the 18 Subrecipients have projects underway, including assistance to 280 homebuyers and approval for repairs to 101 homes.

**Financial Summary**

Subrecipient Awards	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
<b>City of Galveston</b>	\$160,432,233.00	\$4,668,409.53	\$155,763,823.47	2.91%
<b>Galveston County</b>	\$99,503,498.00	\$5,685,200.39	\$93,818,297.61	5.71%
<b>South East Texas Regional Planning Commission</b>	\$95,000,000.00	\$1,176,786.11	\$93,823,213.89	1.24%
<b>City of Houston</b>	\$87,256,565.00	\$22,273,665.22	\$64,982,899.78	25.53%
<b>Harris County</b>	\$56,277,229.00	\$6,235,166.44	\$50,042,062.56	11.08%
<b>Houston-Galveston Area Council</b>	\$11,076,980.00	\$0.00	\$11,076,980.00	0.00%
<b>Liberty County</b>	\$8,878,923.00	\$330,005.25	\$8,548,917.75	3.72%
<b>Montgomery County</b>	\$6,909,237.00	\$220,077.72	\$6,689,159.28	3.19%
<b>Deep East Texas Council of Governments</b>	\$5,931,070.00	\$187,317.73	\$5,743,752.27	3.16%
<b>Cameron County</b>	\$3,093,750.00	\$0.00	\$3,093,750.00	0.00%
<b>Hidalgo County</b>	\$2,000,000.00	\$116,423.36	\$1,883,576.64	5.82%
<b>City of Brownsville</b>	\$1,635,318.00	\$0.00	\$1,635,318.00	0.00%
<b>Fort Bend County</b>	\$1,582,107.00	\$27,247.93	\$1,554,859.07	1.72%
<b>Brazos Valley Affordable Housing Corporation</b>	\$948,930.00	\$0.00	\$948,930.00	0.00%
<b>Willacy County</b>	\$ 541,287.00	\$0.00	\$541,287.00	0.00%
<b>East Texas Council of Governments</b>	\$ 415,117.00	\$21,331.00	\$393,786.00	5.14%
<b>City of Mission</b>	\$ 209,638.00	\$25,812.14	\$183,825.86	12.31%
<b>Chambers County</b>	\$ 20,921,582.00	\$0.00	\$20,921,582.00	0.00%
<b>Total:</b>	<b>\$562,613,464.00</b>	<b>\$40,967,442.82</b>	<b>\$521,646,021.18</b>	<b>7.28%</b>



**Summary of Homeowner Assistance Activities under Round 1 Ike/Dolly Program**

<b>Total Applicants</b>	<b>Ineligible</b>	<b>Eligibility Determined</b>	<b>Pending Environmental</b>	<b>Environmentally Cleared</b>	<b>Under Construction</b>	<b>Complete</b>
12,568	3,434	2,382	154	1,332	57	27

<b>Multi-Family Awards</b>	<b>Current Budget</b>	<b>Cumulative Expenditures</b>	<b>Balance Remaining</b>	<b>Percentage Expended</b>
<b>Orange Navy II</b>	\$ 3,450,000.00	\$ 2,506,922.51	\$ 943,077.49	72.66 %
<b>Tidwell Estates</b>	\$ 277,676.00	\$ 249,908.40	\$ 27,767.60	90.00 %
<b>Beacon Bay Townhomes</b>	\$ 816,898.00	\$ 0.00	\$ 816,898.00	0.00 %
<b>2101 Church Street</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Fountains of Westchase</b>	\$ 2,390,000.00	\$ 0.00	\$ 2,390,000.00	0.00 %
<b>Towers at Clear Lake</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Union Acres</b>	\$ 3,003,389.00	\$ 0.00	\$ 3,003,389.00	0.00 %
<b>Champion Homes at Bay Walk</b>	\$ 5,000,000.00	\$ 0.00	\$ 5,000,000.00	0.00 %
<b>Champion Homes at Marina Landing</b>	\$ 10,000,000.00	\$ 0.00	\$ 10,000,000.00	0.00 %
<b>Lexington Square Apartments</b>	\$ 1,425,868.00	\$ 0.00	\$ 1,425,868.00	0.00 %
<b>Colony of Humble</b>	\$ 6,296,670.00	\$ 0.00	\$ 6,296,670.00	0.00 %
<b>Arthur Robinson Apartments</b>	\$ 10,000,000.00	\$ 0.00	\$ 10,000,000.00	0.00 %
<b>Countryside Village Apartments</b>	\$ 7,266,331.00	\$ 0.00	\$ 7,266,331.00	0.00 %
<b>Total:</b>	<b>\$ 59,926,832.00</b>	<b>\$ 2,756,830.91</b>	<b>\$ 57,170,001.09</b>	<b>4.60%</b>

## **HOME PROGRAM DIVISION**

### **BOARD ITEM**

**January 20, 2011**

#### **Background**

The Tax Credit Assistance Program (“TCAP”), created under the American Recovery and Reinvestment Act of 2009, provides funds to assist in the development of properties awarded low income housing tax credits (“LIHTCs”) between October 1, 2006 and September 30, 2009. HUD was charged with awarding TCAP grants by formula to state housing credit agencies. TDHCA received an allocation of \$148,354,769.

Three major federal deadlines are associated with TCAP:

- February 16, 2010: Commit 75% of the TCAP grant
- February 16, 2011: Expend 75% of the TCAP grant
- February 16, 2012: Expend 100% of the TCAP grant

A TCAP funding commitment is recorded on the date of execution of the written agreement, and expenditure means a charge against the TCAP program funds account (IDIS). TDHCA has already met the February 16, 2010 commitment deadline, and staff is now working diligently to meet the upcoming February 16, 2011 75% expenditure deadline.

#### **75% Expenditure Update**

As of January 12, 2011, TCAP awardees had submitted draws totaling \$88.4 million, or 59.6% of the total Texas allocation. Initially, TDHCA limited the number of draws to four, tied to construction completion thresholds of 25%, 50%, 75%, and 100%. However, in order to meet the second federal deadline of February 16, 2011, to expend 75% of the TCAP grant, the Board approved a 75% expenditure draw deadline of January 14, 2011. TCAP awardees are required to submit a draw request for 75% of their total TCAP loan amount, as supported by documentation of TCAP eligible expenditures, regardless of the construction completion percentage. An updated estimate of total draws submitted and funded will be available at the January 20, 2011 Board meeting. Staff is confident that the federal 75% expenditure deadline will be met.

#### **Program Update**

A total of 125 applications were received over four application rounds. Currently, 59 developments will receive funding with four transactions receiving two TCAP allocations. As a result, the Department will participate in 63 TCAP loan closings. On January 10, 2011, TDHCA’s entire TCAP allocation had been committed with 53 transactions closed and nine at title companies awaiting final signatures. One transaction will have a delayed closing due to environmental clearance issues.

**Table 1. TCAP Program Update as of January 12, 2011**

	<b># of Awardees</b>	<b># of Units</b>	<b>\$ Award Amount</b>
<b>Total Applications</b>	125		
<b>Total Active Applications</b>	63	8,346	\$ 148,354,769
<b>Written Agreement Executed</b>	62	8,346	\$ 147,875,984
<b>Environmental Clearance</b>	62	8,346	\$ 147,875,984
<b>Loan Docs to Title Company</b>	62	8,346	\$ 147,875,984
<b>TCAP Loan Closed</b>	53	7,259	\$ 132,368,628
<b>Funds Drawn</b>	46	6,250	