

# **BOARD MEETING OF NOVEMBER 7, 2013**

**J. Paul Ozer, Chair**



**TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS**  
*Building Homes. Strengthening Communities.*

Juan Muñoz, Vice-Chair  
J. Mark McWatters, Member  
Leslie Bingham Escareño, Member  
Robert D. Thomas, Member  
Tom Gann, Member

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

**A G E N D A**

**9:00 a.m.  
November 7, 2013**

John H. Reagan Building  
Room JHR 140, 105 W 15<sup>th</sup> Street,  
Austin, Texas

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

**J. Paul Oxer, Chairman**

*Pledge of Allegiance - I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.*

*Texas Allegiance - Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.*

**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.

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

***EXECUTIVE***

- a) Presentation, Discussion, and Possible Action regarding the Board Minutes Summary for July 25, 2013

**Barbara Deane**  
Board Secretary

***COMMUNITY AFFAIRS***

- b) Presentation, Discussion, and Possible Action on Program Year 2014 Community Services Block Grant (CSBG) Awards
- c) Presentation, Discussion, and Possible Action on Program Year 2014 Low-Income Home Energy Assistance Program (LIHEAP) Awards
- d) Presentation, Discussion, and Possible Action on the 2014 Section 8 Payment Standards for Housing Choice Voucher Program
- e) Presentation, Discussion, and Possible Action regarding absorbing the Navasota Housing Authority Housing Choice Voucher Program

**Michael DeYoung**  
Assist. DED, Network & Customer Service

***HOUSING RESOURCE CENTER***

- f) Presentation, Discussion, and Possible Action on the 2014 State of Texas Consolidated Plan: One-Year Action Plan

**Elizabeth Yevich**  
Dir. Housing Resource Center

***MULTIFAMILY FINANCE***

- g) Presentation, Discussion, and Possible Action Regarding Inducement Resolution No. 14-007 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority for the 2013 Waiting List

**Cameron Dorsey**  
Dir. Multifamily Finance

13609 Patriot's Crossing, Dallas

- h) Presentation, Discussion, and Possible Action on awards of HOME loans under the 2013-1 HOME Multifamily Development Program (MFD) Notice of Funding Availability (NOFA)
- i) Presentation, Discussion, and Possible Action to adopt the 2014 Multifamily Programs

**Program Planning and Metrics**

- j) Presentation and Discussion on the Department Snapshot tool for the Section 8 program

**David Johnson**  
Manager, Program, Planning, Policy  
and Metrics

**Bond Finance**

- k) Presentation, Discussion, and Possible Action to publish a Request for Proposal (RFP) for investment banking firms interested in providing financial advisory services for single family and multi-family mortgage revenue bonds starting in Fiscal Year 2015
- l) Report on Request for Proposal for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager on single family mortgage revenue bonds starting in Fiscal Year 2014

**Tim Nelson**  
Dir. Bond Finance

**RULES**

- m) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.8 (a) and (b), concerning Forms, and directing their publication for public comment in the *Texas Register*
- n) Presentation Discussion, and Possible Action on proposed amendments to 10 TAC §1.10, concerning Public Comment Procedures, and directing their publication for public comment in the *Texas Register*
- o) Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code §2001.039 regarding 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication in the *Texas Register*
- p) Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code §2001.039 regarding 10 TAC §1.17, Alternative Dispute Resolution and Negotiated Rulemaking, and directing its publication in the *Texas Register*
- q) Presentation, Discussion, and Possible Action on orders adopting new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.9 regarding Texas Public Information Act Training for Department Employees, and directing its publication in the *Texas Register*
- r) Presentation, Discussion, and Possible Action on orders adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures; and new 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, and directing their publication in the *Texas Register*
- s) Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 60, Compliance Administration, Subchapter B, §§60.201 – 60.211, concerning Accessibility Requirements, and proposed new Chapter 1, Subchapter B §§1.201 – 1.212, concerning Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and directing their publication for public comment in the *Texas Register*
- t) Presentation, Discussion, and Possible Action on an order adopting amendments to 10 TAC Chapter 12, §§12.1, 12.4 – 12.6, 12.10, concerning Multifamily Housing Revenue Bond Rules, and directing its publication in the *Texas Register*

**Jeff Pender**  
Deputy General Counsel

**Michael DeYoung**  
Assist. DED, Network & Customer  
Service

**Patricia Murphy**  
Chief of Compliance

**Cameron Dorsey**  
Dir. Multifamily Finance

- u) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements, and an order adopting new 10 TAC Chapter 10, Uniform Multifamily rules, Subchapter E, concerning Post Award and Asset Management Requirements, and directing its publication in the *Texas Register*

**Cari Garcia**  
Dir. Asset Management

- v) Presentation, Discussion, and Possible Approval of an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, and an order adopting the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, and directing its publication in the *Texas Register*

**Brent Stewart**  
Dir. Real Estate Analysis

**Financial Administration**

- w) Presentation, Discussion, and Possible Action on the Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

**David Cervantes**  
Chief Financial Officer

**REPORT ITEMS**

The Board accepts the following reports:

1. TDHCA Outreach Activities, Oct 2013
2. Status report on the HOME Program Contracts and Reservation System Participants
3. Report on the Department's 4th Quarter Investment Report in accordance with the Public Funds Investment Act (PFIA)
4. Report on the Department's 4th Quarter Investment Report relating to funds held under Bond Trust Indentures

**Michael Lytle**  
Chief of External Affairs

**Jennifer Molinari**  
HOME Director

**David Cervantes**  
Chief Financial Officer

**Tim Nelson**  
Dir. Bond Finance

**ACTION ITEMS**

**ITEM 2: HOUSING RESOURCE CENTER**

Presentation, Discussion, and Possible Action regarding the submittal to HUD of the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing

**Elizabeth Yevich**  
Dir. Housing Resource Ctr.

**ITEM 3: RULES**

- a) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, §§10.601 – 10.625, concerning Compliance Monitoring, and adopting new Subchapter F, §§10.601 – 10.626, concerning Compliance Monitoring
- b) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, concerning §1.5, concerning Previous Participation Reviews, and adopting new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.5 concerning Previous Participation Reviews
- c) Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and an order adopting the new 10 TAC Chapter 11, concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication in the Texas Register
- d) Presentation, Discussion, and Possible Action on orders adopting the repeals of 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and

**Patricia Murphy**  
Chief of Compliance

**Cameron Dorsey**  
Dir. Multifamily Finance

Waiver of Rules, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and orders adopting the new 10 TAC Chapter 10 Subchapter A, concerning General Information and Definitions, Subchapter B, concerning Site and Development Requirements and Restrictions, Subchapter C, concerning Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules, or Pre-clearance for Applications, and Subchapter G, concerning Fee Schedule, Appeals and Other Provisions, and directing their publication in the Texas Register

**ITEM 4: MULTIFAMILY FINANCE**

- a) Presentation, Discussion, and Possible Action on requests for waivers of the Department's multifamily rules and requirements

**Cameron Dorsey**  
Dir. Multifamily Finance

13058 Evergreen at Hebron Senior Community, Carrollton

- b) Presentation, Discussion, and Possible Action on Requested Waivers and Consideration of Determination Notices for Housing Tax Credits with other Issuers, if all required waivers, if any, have been granted:

13408 Cedar Terrace Apartments, Galveston

- c) Presentation, Discussion, and Possible Action on a request for an Attorney General Opinion regarding eligibility of developments exercising Rental Assistance Demonstration conversion to compete in the At-Risk Set-Aside

**PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS.**

**EXECUTIVE SESSION**

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

**J. Paul Oxer**  
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) *Threatened litigation – letters from Shari Goldsberry dated August 20, 2013, and October 22, 2013;*
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 Tex. Gov't. Code, Chapter 551:
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; and/or-
5. Pursuant to Tex. Gov't. Code, §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

**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

**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 Terri Roeber, at 512-475-3959, 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 Jorge Reyes, 512-475-4577 at least three (3) 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.*

# CONSENT AGENDA

1a



**BOARD SECRETARY**  
**BOARD ACTION REQUEST**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the Board Minutes Summary for July 25, 2013.

**RECOMMENDED ACTION**

Approve Board Meeting Minutes Summary for July 25, 2013.

**RESOLVED**, that the Board Meeting Minutes Summary for July 25, 2013, as having been specifically approved, is hereby approved as presented.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
BOARD MEETING

July 25, 2013; 10:00 a.m.

Capitol Extension Auditorium  
1500 North Congress, 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 July 25, 2013, was called to order by J. Paul Oser, Chair, at 10:05 a.m. It was held at 1500 North Congress, Austin, Texas. Roll call certified a quorum was present, clarified that a majority for purposes of Board action is a majority of a quorum.

**Members Present:**

J. Paul Oser, Chair  
J. Mark McWatters  
Leslie Bingham-Escareño  
Tom H. Gann

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

***INTERNAL AUDIT:***

- a) Report from the Audit Committee Meeting  
**Pulled to regular agenda for discussion.**
- b) Discussion and Possible Action on the Annual Performance Evaluation of the Director of Internal Audit and Delegation to Chair of Audit Committee

***COMMUNITY AFFAIRS:***

- c) Presentation, Discussion, and Possible Action on the Section 8 Program 2014 Annual Public Housing Agency (PHA) Plan for the Housing Choice Voucher Program  
**Brooke Boston reported a correction to the plan in Section 10, removing the word "elderly," as it is for all low income persons with disabilities.**
- d) Presentation, Discussion, and Possible Action on Program Year (PY) 2014 Homeless Housing and Services Program Awards  
**Brooke Boston clarified that in the reposted version, there is a "column 1" titled "biennial award" And that should not have been included. Today, requesting approval of the first year of the biennium, for fiscal year 2014. So for 2015, we will update the demographic data and bring it back next year, in anticipation of the second year of the biennium.**
- e) Presentation, Discussion, and Possible Action on Conditional Program Year (PY) 2014 Emergency Solutions Grants Program Awards  
**Brooke Boston reported that we indicated in the board materials that the awards are conditioned on getting a letter of award from HUD. We received the letter after the book was posted, on July 22<sup>nd</sup>, from HUD, so we are removing the conditional nature of the recommendations. In addition, she clarified that the write up correctly identified the funds as 2013. However, the posted agenda identified the funds as 2014.**
- f) Presentation, Update, and Possible Action on the Use of 2012 Community Services Block Grant (CSBG) Remainder Funds as Previously Presented to the Board on July 11, 2013

***HOUSING RESOURCE CENTER:***

- g) Presentation, Discussion, and Possible Action on the 2014 Regional Allocation Formula Methodology (Draft)

***NEIGHBORHOOD STABILIZATION***

- h) Discussion, and Possible Ratification of an amendment to a Neighborhood Stabilization Contract in order to

meet extended deadlines established by HUD

77090002601 City of Kilgore

Kilgore

**PROGRAM, PLANNING, POLICY, AND METRICS:**

- i) Presentation and Discussion on the Department Snapshot tool for the HOME program

**ASSET MANAGEMENT:**

- j) Presentation, Discussion, and Possible Action on a HOME (direct loan) Amendment for The Residences at Solms Village in New Braunfels (File No. 12336)

**RULES:**

- k) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, §§5.2, 5.3, 5.8, 5.10, 5.12, 5.13, 5.17, 5.19, and 5.20, concerning Community Affairs General Provisions; and the statutory four-year review of 10 TAC Chapter 5, Community Affairs Programs, Subchapter A, Community Affairs General Provisions, §§5.6 and 5.18, concerning Texas Public Information Act and Information Security Practices, pursuant to Texas Government Code, §2001.039, and directing their publication for public comment in the Texas Register
- l) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, §§5.202, 5.210, 5.212, and 5.217, concerning Community Services Block Grant Program; a proposed repeal of §5.209, concerning State Application and Plan; and the statutory four-year review of 10 TAC Chapter 5, Community Affairs Programs, Subchapter B, Community Services Block Grant Program, §5.208, concerning Designation and Re-designation of Eligible Entities in Unserved Areas, pursuant to Texas Government Code, §2001.039, and directing their publication for public comment in the *Texas Register*
- m) Presentation, Discussion, and Possible Action on a proposed repeal of 10 TAC Chapter 5 Community Affairs Programs, Subchapter C, §§5.301 – 5.311, concerning Emergency Shelter Grants Program (ESGP), and directing its publication for public comment in the *Texas Register*
- n) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §§5.403, 5.407, 5.423 and 5.424, concerning Comprehensive Energy Assistance Program, and directing its publication for public comment in the *Texas Register*
- o) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter E, §§5.502, 5.503, 5.507 and 5.524, concerning Weatherization Assistance Program General; and the statutory four-year review of 10 TAC Chapter 5, Community Affairs Programs, Subchapter E, Weatherization Assistance Program General, §§5.501 and 5.528, concerning Background and Health and Safety, pursuant to Texas Government Code §2001.039, and directing their publication for public comment in the *Texas Register*
- p) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter F, §§5.602 and 5.603, concerning Weatherization Assistance Program Department of Energy; and the statutory four-year review of 10 TAC Chapter 5, Community Affairs Programs, Subchapter F, Weatherization Assistance Program Department of Energy, §§5.607 – 5.609, concerning Space Heater Requirements, Vehicle Procurement Procedures, and Grant Guidance on Leasing of Vehicles, pursuant to Texas Government Code §2001.039; and directing their publication for public comment in the *Texas Register*
- q) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter G, Weatherization Assistance Program Low-Income Home Energy Assistance Program, §5.701, concerning Allowable Expenditure per Dwelling Unit, and directing its publication for public comment in the Texas Register
- r) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter H, Section 8 Housing Choice Voucher Program, §5.801, concerning the Project Access Initiative, and directing its publication for public comment in the *Texas Register*
- s) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter J, §§5.1003, 5.1004, and 5.1006 concerning Homeless Housing and Services Program; and proposed new §§5.1007 and 5.1008, concerning Subrecipient Reporting Requirements and Subrecipient Data Collection and directing their publication for public comment in the

*Texas Register*

- t) Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 5, Community Affairs Programs, Subchapter K, §§5.2001, 5.2004, 5.2006, 5.2008, and 5.2012, concerning Emergency Solutions Grants (ESG), and directing its publication for public comment in the *Texas Register*
- u) Presentation, Discussion, and Possible Action on proposed new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.9 concerning Texas Public Information Act Training for Department Employees, and directing its publication for public comment in the *Texas Register*
- v) Presentation, Discussion, and Possible Action on the Issuance of a Notice of Rule Review pursuant to Texas Government Code, §2001.039 for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, concerning Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication for public comment in the *Texas Register*
- w) Presentation, Discussion, and Possible Action on the Issuance of a Notice of Rule Review pursuant to Texas Government Code, §2001.039 for 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.17, concerning Alternative Dispute Resolution and Negotiated Rulemaking, and directing its publication for public comment in the *Texas Register*

**REPORT ITEMS:**

The Board accepts the following reports:

1. Report on the Department's 3rd Quarter Investment Report in accordance with the Public Funds Investment Act (PFIA)
2. Report on the Department's 3<sup>rd</sup> Quarter Investment Report relating to funds held under Bond Trust Indentures
3. Status Report on the HOME Program Contracts and Reservation System Participants through June 2013, Calendar Year YTD

**Motion by Leslie Bingham-Escareño to approve the Consent Agenda as amended and/or clarified by staff regarding Agenda Items (c), (d) and (e); withdrawing Agenda Item (f), and pulling Agenda Item 1(a) for further discussion; duly seconded by Mark McWatters; motion passed unanimously.**

**ACTION ITEMS: (AT THE DISCRETION OF THE BOARD CHAIR, ITEMS MAY BE TAKEN OUT OF ORDER.)**

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

***INTERNAL AUDIT:***

- a) Report from the Audit Committee Meeting  
Pulled from consent agenda for further discussion. Sandy Donoho, Director of Internal Audit provided a report of the Audit Committee meeting.

**Kelly Barnes, with the office of the Honorable Representative Travis Clardy, read letter providing testimony regarding concerns of this year's tax credit application cycle effecting an application in his district.**

**AGENDA ITEM 2: COMMUNITY AFFAIRS**

Presentation, Discussion, Public Hearing, and Possible Action on the Program Year (PY) 2013 U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) State Plan  
Brooke Boston reported that this meeting will not constitute a public hearing as described on the agenda, however comments made at this meeting will be accepted. A public hearing will be scheduled soon. If no substantial comment is received, this item will not be taken back to the Board for further consideration. Ms. Boston also described the amendment to the state plan and resolution which included amending the final program year 2013 DOE WAP State Plan to increase the award amount and to increase the number of subgrantees.

**Motion by Leslie Bingham-Escareño to accept staff's recommendation as amended by staff to approve the Program Year (PY) 2013 U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) State Plan; duly seconded by Tom Gann; motion passed unanimously.**

**AGENDA ITEM 3: MULTIFAMILY FINANCE DIVISION:**

- a) Presentation, Discussion, and Possible Action on Determination Notices for Housing Tax Credits with another Issuer

13408 Tidwell Lakes Ranch Houston

**Withdrawn from consideration.**

13410 William Cannon Apts Austin

13411 Parmer Place Apts Austin

**Motion by Tom Gann to accept staff's recommendation to approve Determination Notice for Housing Tax Credits with another Issuer for William Cannon Apts and Parmer Place Apts; duly seconded by Mark McWatters; motion passed unanimously.**

- b) Presentation, Discussion, and Possible Action on Awards of Competitive 9% Low Income Housing Tax Credits from the 2013 State Housing Tax Credit Ceiling and Approval of the Waiting List for the 2013 Housing Tax Credit Application Round

**Motion by Leslie Bingham-Escareño to accept staff's recommendation to approve 64 applications/projects for Awards of Competitive 9% Low Income Housing Tax Credits from the 2013 State Housing Tax Credit Ceiling and Approval of the Waiting List for the 2013 Housing Tax Credit Application Round duly seconded by J. Paul Ozer; motion passed unanimously.**

Annette Cornier, TDHCA staff, testified that Barbara Thompson opposes approval of project 13077 for the 2013 Housing Tax Credit waiting list.

Michael Lyttle, TDHCA staff, read a letter providing testimony for the record from the Honorable Representative Marissa Marquez in support of a project in her district (El Paso).

Bill Lilly, City of El Paso Community Development provided testimony regarding his concerns regarding award points for local commitment for projects in Region 13.

Eric Pearson, President and CEO of El Paso Community Foundation provided testimony regarding his concerns on awarding points for community support.

**PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS. PUBLIC COMMENT MAY INCLUDE REQUESTS THAT THE BOARD PLACE SPECIFIC MATTERS ON FUTURE AGENDAS FOR CONSIDERATION.**

Amy Ledbetter-Parham, Executive Director, Habitat for Humanity of Texas, provided testimony in support of the Texas Bootstrap Program.

**EXECUTIVE SESSION:**

Executive Session not held.

1. Pursuant to Texas Government Code, §551.074 the Board may go into Executive Session 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, including the Director of Internal Audit.
2. Pursuant to Texas Government Code, §551.071(1) the Board may go into Executive Session 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.*
3. Pursuant to Texas Government Code, §551.071(2) the Board may go into Executive Session 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 Texas Government Code, Chapter 551:
4. Pursuant to Texas Government Code, §551.072 the Board may go into Executive Session 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; and/or-
5. Pursuant to Texas Government Code, §2306.039(c) the Board may go into Executive Session to receive reports from the internal auditor, fraud prevention coordinator, or ethics advisor and discuss issues related to fraud,

waste or abuse.

**ADJOURN:**

Motion by Leslie Bingham-Escareño to adjourn; duly seconded by Mark McWatters; motion passed unanimously.

Since there was no other business to come before the Board, the meeting was adjourned at 11:05 a.m. on July 25, 2013.

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Barbara Deane, Board Secretary

1b

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on Program Year 2014 Community Services Block Grant (CSBG) Awards

**RECOMMENDED ACTION**

**WHEREAS**, the Department is pending notification from the U.S. Department of Health and Human Services (“USHHS”) of the 2014 Community Services Block Grant (CSBG) awards;

**WHEREAS**, the CSBG Act (42 USC §9901 *et seq.*) requires that not less than 90% (approximately \$25,407,340) of annual CSBG funds be used by the state to make grants to eligible entities; as well as 5% for state administration, and up to 5% for discretionary purposes;

**WHEREAS**, the CSBG network is comprised of 43 eligible entities serving all 254 counties with an array of services to low income Texans; and

**WHEREAS**, the CSBG funds are allocated based on the formula detailed in 10 TAC §5.203, Distribution of CSBG Funds;

**NOW, therefore, it is hereby**

**RESOLVED**, that the awards to the CSBG Eligible Entities for the Program Year 2014 be and are hereby approved; and

**FURTHER RESOLVED**, that any subsequent 2014 CSBG funds received from USHHS will be similarly awarded in accordance with the approved method and formula.

**BACKGROUND**

The Department expects to receive the first quarter allocation of 2014 CSBG funds in the next 30 days. The funding is expected to be provided by the federal government under the Continuing Appropriations Resolution 2014. The estimated 2014 CSBG allocation is \$28,230,378, which reflects an estimated 7.2% funding reduction. Of this, 90% is recommended to be distributed to eligible entities totaling \$25,407,340. Final CSBG program allocations will be the program funds, less any reduction from federal budget cuts and/or sequestration.

Staff proposes distributing the available funds to CSBG-eligible entities as quarterly releases are received. Staff utilizes a multi-factor fund distribution formula detailed in 10 TAC §5.203, Distribution of CSBG Funds. The formula incorporates the U.S. Census Bureau Decennial 2010



Census and the most recent American Community Survey 5-Year Estimates data related to persons in poverty; a 98% weighted factor for poverty population; and, a 2% weighted factor for the inverse ratio of population density. Department staff requests authority to obligate the 90% CSBG funds through the formula after the final allocation is determined.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) includes a review of CSBG awards prior to contract execution. The review has been performed and the following entities have been identified with issues:

Agency	Issue
Pecos County Community Action Agency	Audit Certification form for fiscal year ending May 31, 2013 has not been submitted
Williamson Burnet County Opportunities	Single Audit for fiscal year ending November 30, 2012 has not been submitted

Staff does not believe that the issues noted above would constitute cause to discontinue funding. And therefore, staff recommends obligation of awards to these entities. However, staff will not execute contracts with these entities until these issues are resolved.

<b>CSBG PY 2014 Estimated Funding Distribution</b>	
<b>Subrecipient Name</b>	<b>Estimated Allocation for 2014</b>
Aspermont Small Business Development Center, Inc.	\$150,000
Austin, City of, Health and Human Services Department	\$904,571
Bee Community Action Agency	\$200,726
Big Bend Community Action Committee, Inc.	\$150,000
Brazos Valley Community Action Agency	\$863,781
Cameron and Willacy Counties Community Projects, Inc.	\$812,006
Central Texas Opportunities, Inc.	\$176,630
Combined Community Action, Inc.	\$170,391
Community Action Committee of Victoria Texas	\$221,311
Community Action Corporation of South Texas	\$188,051
Community Action Inc. of Central Texas	\$209,382
Community Action Social Services & Education	\$150,000
Community Council of South Central Texas, Inc.	\$559,615
Community Services Agency of South Texas	\$150,000
Community Services of Northeast Texas	\$208,104
Community Services, Inc.	\$1,114,779
Concho Valley Community Action Agency	\$209,394
Economic Action Committee of The Gulf Coast	\$150,000
Economic Opportunities Advancement Corporation of Planning Region XI	\$402,956
El Paso Community Action Program, Project BRAVO, Inc.	\$1,149,750
Fort Worth, City of, Parks & Community Services Department	\$1,363,865
Galveston County Community Action Council, Inc.	\$725,271
Greater East Texas Community Action Program (GETCAP)	\$742,776
Gulf Coast Community Services Association	\$3,832,544
Hidalgo County Community Services Agency	\$1,385,156
Hill Country Community Action Association, Inc.	\$413,030
Lubbock, City of, Community Services Department	\$322,293
Northeast Texas Opportunities, Inc.	\$202,413
Nueces County Community Action Agency	\$411,996
Panhandle Community Services	\$480,218
Pecos County Community Action Agency	\$150,000
Rolling Plains Management Corporation	\$381,643
San Antonio, City of, Community Action Division	\$1,588,858
South Plains Community Action Association, Inc.	\$235,683
South Texas Development Council	\$205,196
Southeast Texas Regional Planning Commission	\$392,413
Texas Neighborhood Services	\$350,083
Texoma Council of Governments	\$198,856
Tri-County Community Action, Inc.	\$282,002
Urban League of Greater Dallas	\$2,408,562
Webb County Community Action Agency	\$425,212
West Texas Opportunities, Inc.	\$525,328
Williamson-Burnet County Opportunities, Inc.	\$242,495
<b>TOTAL</b>	<b>\$25,407,340</b>

# Applicant Evaluation

Project ID # **CA1402**

Name **Aspermont Small Business Developme** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0	
Total # of SF Contracts:	16				

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/14/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1403**Name **Bee Community Action Agency**City: **Beeville**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Projects grouped by score	0-9: 0
	10-19: 0
	20-29: 0

Total # of MF awards not yet monitored or pending review: 0

Unresolved Audit Findings Identified w/ Contract(s) SF Contract Experience  Yes  No

Total # of MF Projects in Material Noncompliance: 0

Total monitored with a score 0-29: 0

Total # of SF Contracts: 29

Completed by: James RoperReviewer: Patricia MurphyDate 10/16/2013Date 10/22/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/22/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/24/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/24/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1405**Name **Big Bend Community Action**City: **Marfa**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<table border="1" style="margin: auto;"><tr><td colspan="2" style="text-align: center;"><b>Projects in Material Noncompliance</b></td></tr><tr><td style="text-align: center;">Yes <input type="checkbox"/></td><td style="text-align: center;">No <input checked="" type="checkbox"/></td></tr></table>	<b>Projects in Material Noncompliance</b>		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
<b>Projects in Material Noncompliance</b>										
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>									
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>								
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>						
Total # of SF Contracts:	<u>31</u>									

Completed by: James Roper Reviewer: Patricia MurphyDate: 10/17/2013 Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1406**

Name **Brazos Valley Community Action Age** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	0	
Total # of SF Contracts:	<u>26</u>				

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date: 10/15/2013 Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1407**

Name **Cameron and Willacy Counties Comm** City: **Brownsville**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Total monitored with a score 0-29:		0	
Total # of SF Contracts:	29	Total # of MF Projects in Material Noncompliance:	0			

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/11/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1408**

Name **Central Texas Opportunities, Inc.**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>17</u>					

Completed by: J. Taylor      Reviewer: Patricia Murphy  
 Date: 10/16/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1409**

Name **City of Austin, Health and Human Ser** City: **Austin**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts: <u>13</u>			Total monitored with a score 0-29:		0

Completed by: James Roper Reviewer: Patricia Murphy

Date: 10/17/2013 Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1410**

Name **City of Fort Worth**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>15</u>					

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/17/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1411**

Name **Lubbock City of Community Develop** City: **Lubbock**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
Total # of SF Contracts: <u>23</u>				Total monitored with a score 0-29:	0

Completed by: James Roper Reviewer: Patricia Murphy  
 Date: 10/17/2013 Date: 10/29/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1412**

Name **City of San Antonio, Dept of Human S** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	1	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:		20-29:	0
Total # of SF Contracts:	8			Total monitored with a score 0-29:	1

Completed by: J. Taylor      Reviewer: Patricia Murphy  
 Date: 10/17/2013      Date: 10/29/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1413**

Name **Combined Community Action Inc**

City: **Giddings**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	3	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	2
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts:	34		Total monitored with a score 0-29:		3

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/17/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/29/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1414**

Name **Community Action Committee of Vict** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<table border="1" style="margin: auto;"><tr><td colspan="2" style="text-align: center;"><b>Projects in Material Noncompliance</b></td></tr><tr><td style="text-align: center;">Yes <input type="checkbox"/></td><td style="text-align: center;">No <input checked="" type="checkbox"/></td></tr></table>	<b>Projects in Material Noncompliance</b>		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
<b>Projects in Material Noncompliance</b>										
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>									
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>								
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>						
Total # of SF Contracts:	<u>29</u>									

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/17/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1415**

Name **Community Action Corporation of So** City: **Alice**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	3	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	3
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts:	40		Total monitored with a score 0-29:		3

Completed by: James Roper Reviewer: Patricia Murphy

Date: 10/14/2013 Date: 10/29/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1416**

Name **Community Action Inc of Central Tex** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0		
Total # of SF Contracts:	17					

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/22/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1417**

Name **Community Action Social Services and** City: **Eagle Pass**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts:	13		Total monitored with a score 0-29:		0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/17/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1418**

Name **Community Council of South Central** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Total monitored with a score 0-29:		0	
Total # of SF Contracts:	15	Total # of MF Projects in Material Noncompliance:	0			

Completed by: J. Taylor Reviewer: Patricia Murphy

Date: 10/22/2013 Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1420**

Name **Community Services Agency of South** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	3	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 3
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>3</u>	
Total # of SF Contracts:	<u>27</u>				

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date: 10/22/2013 Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1421**

Name **Community Services Inc**

City: **Carrizo Springs**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

#### Projects in Material Noncompliance

Projects grouped by score

Total # of MF awards not yet monitored or pending review: 0

Yes     No

0-9: 0

Unresolved Audit Findings Identified w/ Contract(s)

10-19: 0

SF Contract Experience  Yes  No

20-29: 0

Total # of SF Contracts: 9

Total # of MF Projects in Material Noncompliance: 0

Total monitored with a score 0-29: 0

Completed by: James Roper

Reviewer: Patricia Murphy

Date: 10/17/2013

Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable

Late single audit certification form (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Sandra Molina

Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues

Identified Issues (see comments)

Reviewer: Cathy Collingsworth

Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1422**

Name **Community Services of Northeast Tex** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:		20-29:	0
Total # of SF Contracts:	17			Total monitored with a score 0-29:	0

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/22/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1423**

Name **Concho Valley Community Action Age** City: **San Angelo**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>30</u>					

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/14/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1425**

Name **Economic Action Committee of the Gu** City: **Bay City**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>	10-19:		0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	20-29:		0
Total # of SF Contracts:	15		Total monitored with a score 0-29:		0

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 10/17/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1426**Name **Economic Opportunities Advancement** City:HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></div>		Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s)	<input type="checkbox"/>		
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0
Total # of SF Contracts:	25				

Completed by: J. TaylorReviewer: Patricia MurphyDate 10/22/2013Date 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy FalconDate 10/29/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer Sandra MolinaDate 10/28/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer Monica GuerraDate 10/29/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1427**

Name **El Paso Community Action Agency**

City: **El Paso**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b>		Projects grouped by score	
		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		0-9:	0
Total # of MF awards not yet monitored or pending review:	0			10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29:	0
Total # of SF Contracts:	28	Total # of MF Projects in Material Noncompliance:	0	Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/14/2013      Date: 10/29/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1428**

Name **Galveston County Community Action** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>14</u>					

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date: 10/22/2013 Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1429**

Name **Greater East Texas Community Actio** City: **Nacogdoches**

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	1	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 1	10-19: 0
Total # of MF awards not yet monitored or pending review:	1	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	1	
Total # of SF Contracts:	27				

Completed by: James Roper Reviewer: Patricia Murphy

Date: 10/14/2013 Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/29/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1430**

Name **Gulf Coast Community Services Assoc** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0	
Total # of SF Contracts:	8				

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/22/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1431**

Name **County of Hidalgo Community Servc** City: **Edinburg**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>	
Total # of SF Contracts:	<u>22</u>				

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 10/17/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/30/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1432**

Name **Hill Country Community Action Assoc** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	4	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 4	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	4		
Total # of SF Contracts:	29					

Completed by: J. Taylor Reviewer: Patricia Murphy  
 Date: 10/23/2013 Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable  Late single audit certification form (see comments)  
 Single audit requirements current  Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/29/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1434**

Name **N.E.T. Opportunities**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>	
Total # of SF Contracts:	<u>18</u>				

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/23/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1436**Name **Nueces County Community Action Ag** City:HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	1	<table border="1" style="margin: auto;"><tr><td colspan="2" style="text-align: center;"><b>Projects in Material Noncompliance</b></td></tr><tr><td style="text-align: center;">Yes <input type="checkbox"/></td><td style="text-align: center;">No <input checked="" type="checkbox"/></td></tr></table>	<b>Projects in Material Noncompliance</b>		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 1	20-29: 0
<b>Projects in Material Noncompliance</b>										
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>									
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>								
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>1</u>						
Total # of SF Contracts:	25									

Completed by: J. TaylorReviewer: Patricia MurphyDate: 10/23/2013Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy FalconDate: 10/29/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra MolinaDate: 10/28/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica GuerraDate: 10/29/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy CollingsworthDate: 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1437**Name **Panhandle Community Services**City: **Tulia**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Projects grouped by score

0-9: 0

10-19: 0

20-29: 0

Total # of MF awards not yet monitored or pending review: 0

Unresolved Audit Findings Identified w/ Contract(s) SF Contract Experience  Yes  No

Total # of MF Projects in Material Noncompliance: 0

Total monitored with a score 0-29: 0

Total # of SF Contracts: 29

Completed by: James RoperReviewer: Patricia MurphyDate 10/14/2013Date 10/22/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/22/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/24/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/24/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1438**

Name **Pecos County Community Action Age** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

#### Projects in Material Noncompliance

Projects grouped by score	0-9:	0
	10-19:	0
	20-29:	0

Total # of MF awards not yet monitored or pending review: 0

Yes  No

Unresolved Audit Findings Identified w/ Contract(s)

Total monitored with a score 0-29: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 14

Total # of MF Projects in Material Noncompliance: 0

Completed by: J. Taylor

Reviewer: Patricia Murphy

Date: 10/23/2013

Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable

**Late single audit certification form** (see comments)

Single audit requirements current

Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon

Date: 10/29/2013

Comments (if applicable):

**Pecos County is delinquent as of 7/31/13 when their ACF for FYE 5/31/13 was due.**

### Loan Servicing

No delinquencies found

Delinquencies found (see comments)

Reviewer: Sandra Molina

Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found

Delinquencies found (See Comments)

Reviewer: Monica Guerra

Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues

Identified Issues (see comments)

Reviewer: Cathy Collingsworth

Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1440**Name **Rolling Plains Management Corp**City: **Crowell**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Projects grouped by score

0-9: 0

10-19: 0

20-29: 0

Total # of MF awards not yet monitored or pending review: 0

Unresolved Audit Findings Identified w/ Contract(s) 

Total monitored with a score 0-29: 0

SF Contract Experience  Yes  No

Total # of SF Contracts: 33

Total # of MF Projects in Material Noncompliance: 0

Completed by: James RoperReviewer: Patricia MurphyDate 10/23/2013Date 10/24/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/29/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/28/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/29/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1441**

Name **South East Texas Regional Planning C** City: **Beaumont**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0	
Total # of SF Contracts:	12				

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/18/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1442**

Name **South Plains Community Action Assoc** City: **Levelland**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	8	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 6	10-19: 2
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>8</u>	
Total # of SF Contracts:	<u>46</u>				

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/23/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/29/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1443**

Name **South Texas Development Council**

City: **Larado**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>	
Total # of SF Contracts:	<u>28</u>				

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 10/18/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1444**

Name **Texas Neighborhood Services**

City: **Weatherford**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>	
Total # of SF Contracts:	<u>16</u>				

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/23/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1445**Name **Texoma Council of Governments**City: **Sherman**HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other  No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/>    No <input checked="" type="checkbox"/></div>	Projects grouped by score	0-9: 0 10-19: 0 20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>
Total # of SF Contracts:	<u>26</u>			

Completed by: James Roper      Reviewer: Patricia MurphyDate: 10/18/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1447**Name **Tri-County Community Action**City: **San Augustine**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

**Projects in Material Noncompliance**

Projects 0-9: 0

Total # of MF awards not yet monitored or pending review: 0

**Yes**  **No** 

grouped by score 10-19: 0

SF Contract Experience  Yes  NoUnresolved Audit Findings Identified w/ Contract(s) 20-29: 0  
Total monitored with a score 0-29: 0

Total # of SF Contracts: 29

Total # of MF Projects in Material Noncompliance: 0

Completed by: James RoperReviewer: Patricia MurphyDate 10/14/2013Date 10/22/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/29/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/24/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/24/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1448**Name **Urban League of Greater Dallas**

City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Projects grouped by score

0-9: 0

Total # of MF awards not yet monitored or pending review: 0

Unresolved Audit Findings Identified w/ Contract(s) 

10-19: 0

20-29: 0

SF Contract Experience  Yes  No

Total # of MF Projects in Material Noncompliance: 0

Total monitored with a score 0-29: 0

Total # of SF Contracts: 9

Completed by: J. TaylorReviewer: Patricia MurphyDate: 10/15/2013Date: 10/22/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate: 10/23/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer: Sandra MolinaDate: 10/24/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer: Monica GuerraDate: 10/24/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer: Cathy CollingsworthDate: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1449**

Name **Webb County Community Action Age** City: **Larado**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	0
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance:		20-29:	0
Total # of SF Contracts:	21			Total monitored with a score 0-29:	0

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/18/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1450**

Name **West Texas Opportunities Inc**

City: **Lamesa**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>28</u>					

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/23/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1451**

Name **Williamson-Burnet County Opportuni** City: **Georgetown**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	2	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9:	0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		10-19:	2
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>		20-29:	0
Total # of SF Contracts: <u>20</u>				Total monitored with a score 0-29:	2

Completed by: James Roper      Reviewer: Patricia Murphy  
 Date: 10/18/2013      Date: 10/29/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       **Past due single audit or unresolved single audit issue** (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

**WBCO is delinquent as of 8/31/13 when their Single Audit for FYE 11/30/12 was due.**

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

1c

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on Program Year 2014 Low-Income Home Energy Assistance Program (“LIHEAP”) Awards

**RECOMMENDED ACTION**

**WHEREAS**, the Department anticipates receiving Federal Fiscal Year (FFY) 2014 Low Income Home Energy Assistance Program (LIHEAP) funds from the U.S. Department of Health and Human Services (USHHS);

**WHEREAS**, the LIHEAP Act of 1981 (42 USC §§8623-8624) allows LIHEAP funds to be utilized to provide energy assistance, low-cost weatherization assistance and other cost-effective energy-related home repair, as well as 10% for planning and administration;

**WHEREAS**, on July 11, 2013, the Board authorized a 2014 LIHEAP Plan that allocates 80% of LIHEAP program funds to the Comprehensive Energy Assistance Program (CEAP) and 20% to the LIHEAP Weatherization Assistance Program (WAP);

**WHEREAS**, the CEAP funds are allocated based on the formula detailed in 10 TAC §5.403, Distribution of CEAP Funds, and the LIHEAP WAP funds are allocated based on the formula detailed in 10 TAC §5.503, Distribution of WAP Funds; and

**WHEREAS**, additional funds from USHHS may be received by TDHCA for 2014 LIHEAP;

**NOW, therefore, it is hereby**

**RESOLVED**, that the awards to CEAP and LIHEAP WAP Subrecipients for the Program Year 2014 be and are hereby approved; and

**FURTHER RESOLVED**, that subsequent 2014 LIHEAP funds received from USHHS and 2013 unutilized funds will be similarly awarded in accordance with the approved method and formula or as needed to accommodate full utilization of funds among only those providers with ability to expend additional funds.

**BACKGROUND**

The Department anticipates receiving Federal Fiscal Year (FFY) 2014 LIHEAP funds from the U.S. Department of Health and Human Services (USHHS). The estimated 2014 LIHEAP

allocation is \$113,303,792, which reflects an estimated 7.2% funding reduction. Final CEAP and LIHEAP WAP program allocations will be the program funds, less any reduction from federal budget cuts and/or sequestration.

LIHEAP allows for funding to pay utility bills and weatherization activities. The Department administers LIHEAP funds through the CEAP and LIHEAP WAP. The program year runs from January through December for both programs.

This Board action approves awarding the PY 2014 CEAP Subrecipients for utility bill payment activities and PY 2014 LIHEAP WAP Subrecipients for weatherization activities by formula that utilizes a multi-factor distribution detailed in 10 TAC §5.403, Distribution of CEAP Funds, and 10 TAC §5.503, Distribution of WAP Funds which considers poverty, household income, population density, and a weather factor.

Department staff requests authority to obligate the awarded 2014 LIHEAP funds and any subsequent 2014 awards for the CEAP and LIHEAP WAP programs by the formula after the final allocation is determined. Staff also requests authority to reobligate the unutilized fund balance of the PY 2013 LIHEAP awards by the same formula or as needed to accommodate full utilization of funds among only those providers with the ability to expend additional funds within the required timeframe. .

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter A, §1.5) includes a review of CEAP and LIHEAP WAP awards prior to contract execution. The review has been performed and the following entities have been identified with issues:

Agency	Issue
Pecos County Community Action Agency	Audit Certification form for fiscal year ending May 31, 2013 has not been submitted
Williamson Burnet County Opportunities	Single Audit for fiscal year ending November 30, 2012 has not been submitted

As written, the rule provides that the Board may, within federal or state program guidelines and any requirements of due process, proceed with providing the funding with or without conditions, direct the staff to initiate defunding the agency, direct staff to procure an alternative provider of the services or take other such actions as it deems appropriate.

Staff recommends obligation of awards to these entities. However, staff will not execute contracts with these entities until these issues are resolved.

Applicant Evaluation forms for agencies that also receive CSBG funding are included with Item 1b of the Board book.



**2014 CEAP Allocation Spreadsheet****CONTRACT TERM:** January 1, 2014 - December 31, 2014.

	Subrecipient	Total
1	Aspermont Small Business Development Council	613,199
2	Bee Community Action Agency	588,321
3	Bexar Co. Community and Develoment Services	5,793,859
4	Big Bend Community Action Agency	717,495
5	Brazos Valley Community Action Agency	2,901,261
6	Cameron-Willacy Counties Community Projects Inc.	2,672,319
7	Central Texas Opportunities	946,401
8	Combined Community Action	640,396
9	Community Action Committee of Victoria, Texas	1,034,361
10	Community Action Corporation of S. Tx	822,865
11	Community Action Inc. of Central Texas	604,507
12	Community Council of South Central TX	1,573,375
13	Community Council Southwest TX	1,005,542
14	Community Services Agency of South Texas	705,847
15	Community Services Inc	3,677,323
16	Community Services Northeast Texas	1,004,346
17	Concho Valley Community Action Agency	1,202,085
18	Dallas County Department of HHS	7,094,197
19	Economic Action Committee of the Gulf Coast	189,567
20	Economic Opportunities Advancement Corp. of PR XI	1,644,634
21	El Paso Community Action Program	4,008,586
22	Fort Worth Parks & Community Services	4,314,853
23	Galveston County Community Action Council	2,220,786
24	Greater E. Tx Community Actioin Program	3,186,354
25	County of Hidalgo Community Services Agency	4,164,472
26	Hill Country Community Action Association	1,499,300
27	Kleberg County Human Services	482,777
28	Lubbock, City of, Community Development	1,014,492
35	Neighborhood Centers, Inc.	11,286,470
29	N.E.T. Opportunities	878,875
30	Nueces County Community Action Agency	1,381,021
31	Panhandle Community Services	2,384,037
32	Pecos County Community Action Agency	471,048
33	Programs for Human Services	1,799,670
34	Rolling Plains Manangement Corporation	1,969,240
36	South Plains Community Action Assoc. Inc.	1,141,092
37	South Texas Development Council	742,636
38	Texas Neighborhood Services	1,121,503
39	Texoma Council Of Governments	698,707
40	Travis County Health and Human Services	2,635,114
41	Tri-County Community Action Inc.	1,431,503
42	Webb County Community Action Agency	1,179,568
43	West Texas Opportunities	2,357,822
44	Williamson-Burnet Co. Opportunities, Inc.	609,076
		88,410,902

**FFY 2014 LIHEAP WAP ALLOCATION****CONTRACT TERM:** January 1, 2014 - December 31, 2014.

<b>SUBRECIPIENT</b>	<b>TOTAL</b>
1 Alamo Area Council of Govt.	2,072,541
2 Big Bend Community Action	335,471
3 Brazos Valley CA	817,319
4 Cameron-Willacy Cos.	752,955
5 Combined CA	528,703
6 CA Committee of Victoria	737,376
7 CA Corp of South Texas	2,078,580
8 Concho Valley Comm.	437,039
9 TBD by RFP	482,463
10 Community Services, Inc.	1,446,716
11 Dallas County DHS	1,996,116
12 EOAC of Planning Region XI	464,033
13 El Paso CAP-Project BRAVO	1,128,631
14 Fort Worth, City of	1,214,735
15 Greater East Texas CAP	709,033
16 Hill Country CAA	659,258
21 Neighborhood Centers, Inc.	3,174,728
17 Nueces County	389,921
18 Panhandle Comm. Service	671,908
19 Program for Human Services	727,349
20 Rolling Plains	922,656
22 South Plains CAA	607,344
23 Texoma Council of Govt.	726,868
24 Travis County HSD	742,495
25 Tri-County CA, Inc.	404,114
26 West Texas Opp., Inc.	664,538
	<b>24,892,890</b>

# Applicant Evaluation

Project ID # **CA1401**

Name **Alamo Area Council of Governments**

City: **San Antonio**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<table border="1" style="margin: auto;"><tr><td colspan="2" style="text-align: center;"><b>Projects in Material Noncompliance</b></td></tr><tr><td style="text-align: center;">Yes <input type="checkbox"/></td><td style="text-align: center;">No <input checked="" type="checkbox"/></td></tr></table>	<b>Projects in Material Noncompliance</b>		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
<b>Projects in Material Noncompliance</b>										
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>									
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>								
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>						
Total # of SF Contracts:	<u>13</u>									

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/16/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1404**

Name **Bexar County Community Resources** City:

HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other

No Previous Participation in Texas  Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>2</u>					

Completed by: J. Taylor Reviewer: Patricia Murphy

Date: 10/15/2013 Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found  Delinquencies found (see comments)

Reviewer: Sandra Molina Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found  Delinquencies found (See Comments)

Reviewer: Monica Guerra Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues  Identified Issues (see comments)

Reviewer: Cathy Collingsworth Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1424**

Name **Dallas County Dept of Health & Huma** City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>17</u>					

Completed by: J. Taylor      Reviewer: Patricia Murphy

Date: 10/22/2013      Date: 10/24/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/29/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/28/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/29/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1433**Name **Kleberg County Human Services**City: **Kingsville**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

<b>Projects in Material Noncompliance</b>	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Projects grouped by score

0-9: 0

10-19: 0

20-29: 0

Total # of MF awards not yet monitored or pending review: 0

Unresolved Audit Findings Identified w/ Contract(s) SF Contract Experience  Yes  No

Total # of MF Projects in Material Noncompliance: 0

Total monitored with a score 0-29: 0

Total # of SF Contracts: 7

Completed by: James RoperReviewer: Patricia MurphyDate 10/17/2013Date 10/24/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/29/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/28/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/29/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1435**Name **Neighborhood Centers Inc**City: **Houston**HTC 9%  HTC 4%  HOME  BOND  HTF  NSP  ESG  Other  No Previous Participation in Texas Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored: 0

**Projects in Material Noncompliance**

Projects 0-9: 0

Total # of MF awards not yet monitored or pending review: 0

**Yes**  **No** 

Projects grouped by score 10-19: 0

SF Contract Experience  Yes  NoUnresolved Audit Findings Identified w/ Contract(s) 20-29: 0  
Total monitored with a score 0-29: 0

Total # of SF Contracts: 7

Total # of MF Projects in Material Noncompliance: 0

Completed by: James RoperReviewer: Patricia MurphyDate 10/17/2013Date 10/24/2013

Comments (if applicable):

### Single Audit

 Single audit review not applicable Late single audit certification form (see comments) Single audit requirements current Past due single audit or unresolved single audit issue (see comments)Reviewer: Rosy FalconDate 10/29/2013

Comments (if applicable):

### Loan Servicing

 No delinquencies found Delinquencies found (see comments)Reviewer Sandra MolinaDate 10/28/2013

Comments (if applicable):

### Financial Services

 No delinquencies found Delinquencies found (See Comments)Reviewer Monica GuerraDate 10/29/2013

Comments (if applicable):

### Community Affairs

 No identified issues Identified Issues (see comments)Reviewer Cathy CollingsworthDate 10/25/2013

Comments (if applicable):

# Applicant Evaluation

Project ID # **CA1439**

Name **Programs for Human Services**

City: **Orange**

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>		20-29: 0	
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: 0	Total monitored with a score 0-29:	0	
Total # of SF Contracts:	19				

Completed by: James Roper      Reviewer: Patricia Murphy

Date: 10/14/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

<input type="checkbox"/> Single audit review not applicable	<input type="checkbox"/> Late single audit certification form (see comments)
<input checked="" type="checkbox"/> Single audit requirements current	<input type="checkbox"/> Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (see comments)
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Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

<input checked="" type="checkbox"/> No delinquencies found	<input type="checkbox"/> Delinquencies found (See Comments)
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Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

<input checked="" type="checkbox"/> No identified issues	<input type="checkbox"/> Identified Issues (see comments)
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Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):



# Applicant Evaluation

Project ID # **CA1446**

Name **Travis County**

City:

HTC 9%     HTC 4%     HOME     BOND     HTF     NSP     ESG     Other

No Previous Participation in Texas       Members of the development team have been disbarred by HUD

### Compliance

Total # of MF awards monitored:	0	<b>Projects in Material Noncompliance</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Projects grouped by score	0-9: 0	10-19: 0	20-29: 0
Total # of MF awards not yet monitored or pending review:	0	Unresolved Audit Findings Identified w/ Contract(s) <input type="checkbox"/>				
SF Contract Experience <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Total # of MF Projects in Material Noncompliance: <u>0</u>	Total monitored with a score 0-29:	<u>0</u>		
Total # of SF Contracts:	<u>24</u>					

Completed by: J. Taylor      Reviewer: Patricia Murphy  
 Date: 10/15/2013      Date: 10/22/2013

Comments (if applicable):

### Single Audit

Single audit review not applicable       Late single audit certification form (see comments)  
 Single audit requirements current       Past due single audit or unresolved single audit issue (see comments)

Reviewer: Rosy Falcon      Date: 10/22/2013

Comments (if applicable):

### Loan Servicing

No delinquencies found       Delinquencies found (see comments)

Reviewer: Sandra Molina      Date: 10/24/2013

Comments (if applicable):

### Financial Services

No delinquencies found       Delinquencies found (See Comments)

Reviewer: Monica Guerra      Date: 10/24/2013

Comments (if applicable):

### Community Affairs

No identified issues       Identified Issues (see comments)

Reviewer: Cathy Collingsworth      Date: 10/25/2013

Comments (if applicable):

1d

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**NOVEMBER 07, 2013**

Presentation, Discussion, and Possible Action on the 2014 Section 8 Payment Standards for Housing Choice Voucher Program (“HCVP”)

**RESOLVED**, the approval of the 2014 Section 8 Payment Standards for Housing Choice Vouchers in accordance with 24 CFR Section 982.503, are hereby approved in the form presented to this meeting.

**BACKGROUND**

The U.S. Department of Housing and Urban Development (“HUD”) requires Public Housing Authorities (“PHAs”), such as the Texas Department of Housing and Community Affairs (“the Department”) to annually adopt a payment standard schedule that establishes voucher payment standard amounts for each Fair Market Rent (“FMR”) area in the PHA jurisdiction. The PHA must establish payment standard amounts for each “unit size,” defined as the number of bedrooms (one-bedroom, two-bedrooms, etc.) in each housing unit.

The Department, operating as a PHA, may establish the payment standard amount at any level between 90% and 110% of the published FMR for that unit size. The Department operates its HCVP in 20 counties. Staff recommends establishing the payment standard for 16 counties at 100% of FMR, which is no change from last year. And 105% of FMR for the remaining four counties, which previously were at 110%. The reason for the decrease from 110% to 105% of the payment standards is because FMRs are reasonably level enough to allow households the ability to locate acceptable units at the adjusted FMR without causing a rent burden to the household.

The reduced payment standard will be applied at the household’s second reexamination after the payment standard was reduced. This will affect the tenant upon a subsequent change to the Housing Assistance Payment (“HAP”) contract such as relocating to a new unit or a change in the family’s household composition. Households and property owners are given a minimum of thirty days to a maximum of sixty days prior to the change.

The Fort Worth HUD Office requires that PHAs managing programs in the Dallas, TX HMFA continue to utilize the Small Area Fair Market Rents (“SAFMRs”). The SAFMRS are utilized in Denton and Ellis counties by ZIP code at 100%.

Staff recommends adopting these 2014 Payment Standards as proposed because it allows current tenants continued affordability in the units they have selected and helps new tenants find decent, safe, sanitary, affordable units. The attached Exhibit A details the Department’s recommended payment standards.

## 2014 Voucher Payment Standards

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b><u>Austin County:</u></b>						
HUD FMR	H	471	533	700	1031	1181
Payment Standard		495	560	735	1083	1240
% of Payment Standard		105%	105%	105%	105%	105%
<b><u>Brazoria County:</u></b>						
HUD FMR	H	640	644	828	1141	1408
Payment Standard		640	644	825	1141	14808
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Caldwell County:</u></b>						
HUD FMR	S	696	853	1074	1454	1762
Payment Standard		696	853	1074	1454	1762
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Chambers County:</u></b>						
HUD FMR	H	623	750	926	1264	1563
Payment Standard		623	750	637	914	1127
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Colorado County:</u></b>						
HUD FMR	H	417	471	637	914	1127
Payment Standard		417	471	637	914	1127
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Comanche County:</u></b>						
HUD FMR	F	451	471	637	793	927
Payment Standard		474	495	669	833	973
% of Payment Standard		105%	105%	105%	105%	105%
<b><u>*Denton County: Pilot Point</u></b>						
HUD FMR	F	580	700	880	1170	1420
Payment Standard		580	700	880	1170	1420
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>* Denton County: Sanger</u></b>						
HUD FMR	F	640	770	970	1290	1560
Payment Standard		640	770	970	1290	1560
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>*Ellis County: Ennis</u></b>						
HUD FMR	F	560	670	850	1130	1370
Payment Standard		560	670	850	1130	1370
% of Payment Standard		100%	100%	100%	100%	100%

## 2014 Voucher Payment Standards

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b>*Ellis County: Italy</b>						
HUD FMR	F	680	810	1030	1370	1660
Payment Standard		680	810	1030	1370	1660
% of Payment Standard		100%	100%	100%	100%	100%
<b>*Ellis County: Waxahachie</b>						
HUD FMR	F	610	730	920	1230	1480
Payment Standard		610	730	920	1230	1480
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Erath County:</u></b>						
HUD FMR	D	525	528	694	932	935
Payment Standard		525	528	694	932	935
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Falls County:</u></b>						
HUD FMR	F	438	481	651	899	902
Payment Standard		438	481	651	899	902
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Fort Bend County:</u></b>						
HUD FMR	H	623	750	926	1264	1563
Payment Standard		623	750	926	1264	1563
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Galveston County:</u></b>						
HUD FMR	S	623	750	926	1264	1563
Payment Standard		623	750	926	1264	1563
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Guadalupe County:</u></b>						
HUD FMR	S	542	683	857	1117	1226
Payment Standard		542	683	857	1117	1226
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Johnson County:</u></b>						
HUD FMR	F	620	725	938	1258	1498
Payment Standard		651	761	985	1321	1573
% of Payment Standard		105%	105%	105%	105%	105%
<b><u>Lee County:</u></b>						
HUD FMR	S	451	537	637	939	942
Payment Standard		451	537	637	939	942
% of Payment Standard		100%	100%	100%	100%	100%

## 2014 Voucher Payment Standards

	Bedroom Size					
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR
<b><u>Llano County:</u></b>						
HUD FMR	S	451	471	637	939	942
Payment Standard		474	495	669	986	989
% of Payment Standard		105%	105%	105%	105%	105%
<b><u>McLennan County:</u></b>						
HUD FMR	F	475	558	755	989	1106
Payment Standard		475	558	755	989	1106
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Medina County:</u></b>						
HUD FMR	S	460	512	693	916	991
Payment Standard		460	512	693	916	991
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Waller County:</u></b>						
HUD FMR	H	623	750	926	1264	1563
Payment Standard		623	750	926	1264	1563
% of Payment Standard		100%	100%	100%	100%	100%
<b><u>Wharton County:</u></b>						
HUD FMR	H	419	520	704	930	941
Payment Standard		419	520	704	930	941
% of Payment Standard		100%	100%	100%	100%	100%

**\*Note 1: FMR areas designated for Denton & Ellis County (Dallas, TX HMFA) are part of the Small Area Fair Market Rents (SAFMRS) by zip code.**

**Note 2: The FMRs for unit sizes larger than 4 BRs are calculated by adding 15% to the 4 BR FMR for each extra bedroom.**

1e

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**

**NOVEMBER 07, 2013**

Presentation, Discussion, and Possible Action for the Texas Department of Housing and Community Affairs (“the Department”) to Absorb the Navasota Housing Authority Housing Choice Voucher Program (“HCVP”)

**RECOMMENDED ACTION**

**WHEREAS**, the Department is a Public Housing Authority (“PHA”) as designated by the U. S. Department of Housing and Urban Development (“HUD”) and administers the Section 8 Housing Choice Voucher Program (the “Section 8 Program”);

**WHEREAS**, HUD has requested that the Navasota Housing Authority relinquish its HCVP, and HUD and the Navasota Housing Authority (“NHA”) have requested that the Department absorb that program;

**WHEREAS**, the Board considered this issue at its September 12, 2013, Board meeting, and it was decided that staff should further research several considerations prior to making a subsequent recommendation to the Board, and that research has occurred; and

**WHEREAS**, the research and file review of the Navasota HCVP by staff supports a positive recommendation by staff to absorb the vouchers;

**Now, therefore, it is hereby**

**RESOLVED**, that the Department is authorized to proceed with the absorption of NHA’s Section 8 HCVP, thereby assuming approximately 17 active vouchers and accepting and integrating Navasota HCVP’s waiting list with the Department’s current waiting lists; and

**FURTHER RESOLVED**, that the Department is authorized to collaborate with HUD on the formal and permanent transfer process of accepting the vouchers from the NHA.

**BACKGROUND**

As discussed at the Board meeting on September 12, 2013, staff performed additional research and a file review for the Navasota HCVP vouchers. On October 1, 2013, the Department



conducted an on-site technical visit. During the visit, files were assessed in the following areas:

- 1) Payment standards are used when calculating Housing Assistance Payment (“HAP”); a family’s rent is the lower of the payment standard amount for the family unit size or the payment standard for the actual number of bedrooms of the unit leased by the family. It was originally a concern of Department staff that the payment standards in use by NHA may not be properly calculated or properly applied to households. However, NHA has adopted a payment standard of 100% of HUDs Fair Market Rent. The payment standards NHA adopted are within the 90–110% range as required and are consistent with the standards in use by the Department.
- 2) Utility Allowances are required by HUD to be reviewed every year. If there is a change of 10% or more, the PHA must update its allowance schedule. After reviewing NHA utility allowance, documentation validates that its utility allowances have been calculated and updated as required.
- 3) Third-Party verification must be obtained for household eligibility. NHA’s third-party verification is within the guidelines set by HUD. Verification must be within sixty days of date of certification.
- 4) Net Restricted Assets (“NRA”) is the amount of Housing Assistance Payments (“HAP”) unspent for the HCV program through the PHA’s fiscal year end. According to NHA’s financial advisor at HUD, \$13,500 has accumulated in unspent HAP. This NRA would be absorbed by the Department as well.
- 5) 97% of NHA’s active vouchers are leased in the Department’s HCVP jurisdiction.

Therefore, staff believes the absorption of these vouchers will pose no undue risk to the Department and recommends absorbing Navasota Housing Authority Housing Authority Housing Choice Voucher Program.

1f

**BOARD ACTION REQUEST**

**HOUSING RESOURCE CENTER**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Approval of the 2014 State of Texas Consolidated Plan: One-Year Action Plan

**RECOMMENDED ACTION**

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) requires the submission of a One-Year Action Plan in accordance with 24 CFR §91.320,

**WHEREAS**, the draft One-Year Action Plan was approved by the Board in September 2013 and released for public comment, and

**WHEREAS**, the public comment has been considered and reasoned responses have been provided,

**NOW, therefore, it is hereby**

**RESOLVED**, that the 2014 State of Texas Consolidated Plan: One-Year Action Plan, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to submit the 2014 State of Texas Consolidated Plan: One-Year Action Plan to HUD, and, in connection therewith, to make such nonsubstantive grammatical and technical changes as they deem necessary or advisable.

**BACKGROUND**

The Texas Department of Housing and Community Affairs (TDHCA), Texas Department of Agriculture (TDA), and Department of State Health Services (DSHS) prepared the 2014 State of Texas Consolidated Plan: One-Year Action Plan (Plan) in accordance with 24 CFR §91.320. TDHCA coordinates the preparation of the State of Texas Consolidated Plan documents. The Plan covers the State's administration of the Community Development Block Grant Program (CDBG) by TDA, the Housing Opportunities for Persons with AIDS Program (HOPWA) by DSHS, and the Emergency Solutions Grant (ESG) Program and the HOME Investment Partnerships (HOME) Program by TDHCA.

The Plan reflects the intended uses of funds received by the State of Texas from HUD for Program Year 2014. The Program Year begins on February 1, 2014, and ends on January 31, 2015. The Plan also illustrates the State's strategies in addressing the priority needs and specific goals and objectives identified in the 2010-2014 State of Texas Consolidated Plan.

The Plan to be approved by the Board can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>. The Plan was available for public comment from September 16 through October 16, 2013. Comment on the Plan was accepted in writing or directly at the consolidated public hearing held on October 1, 2013. The final version of the Plan is due to HUD by December 15, 2013.

There were four entities with comments on the Plan, for which no changes were made. A list of the comments and staff responses is found in Attachment A.

Staff recommends approval of the 2014 State of Texas Consolidated Plan: One-Year Action Plan.

## Attachment A: Public Comment on the One Year Action Plan and Staff's Reasoned Responses

Public comment was received from four entities: Easter Seals of Central Texas; Grantworks, Inc.; Motivation, Education and Training, Inc (MET); and the Promoting Independence Advisory Committee (PIAC). A summary of their comments and staff's reasoned responses are below.

Comment 1: Easter Seals of Central Texas and the PIAC both had comments on the five percent of the HOME funds that benefit persons with disabilities who live in any area of the state. Currently the TDHCA calculates five percent for persons with disabilities as five percent of the annual allocation. Easter Seals of Central Texas and PIAC recommend this amount be calculated from the annual allocation *and* the projected program income. They further recommended that the projected additional amount of up to \$610,000 would be used as tenant-based rental assistance (TBRA) for persons on the Project Access waitlist, which has approximately 185 households.

Staff response: The Department is committed to serving persons with disabilities, and has a strong record of focusing attention on households attempting to exit institutions. The Department added staffing and funding resources toward this initiative in 2013.

In accordance with §2306.111(c)(2) of the Texas Government Code, the HOME Program sets aside five percent of the annual HOME allocation for the benefit of persons with disabilities who live in any area of the state. While these funds are specifically reserved, many households with a member who is disabled are also served utilizing non set-aside funding. Historically, set-aside funds serving persons with disabilities have been carried forward from year to year because the Department has received an insufficient number of requests to fund households to utilize all set-aside funds.

While the Department strongly supports the initiatives around furthering the ability of persons with disabilities to exit institutions and has taken proactive steps to guide administrators on how to “bridge” a client from the Project Access waiting list to the HOME TBRA program, we are concerned that holding funds aside solely for Project Access clients might place TDHCA in a position of having to deny an equally qualified person with a disability not exiting an institution from access to assistance. For example, if a set-aside of the amount suggested solely for the Project Access wait list is created, but not fully used, and demand increases from other clients with disabilities, the funds would not be available to assist the non-Project Access clients. They would be denied access to the remaining PWD funds. The Department believes that with an increased level of outreach and proposed changes to the HOME rules that would allow the charging of soft costs to TBRA activities, more administrators may apply to HOME with the intent to serve individuals existing institutions. In the event that demand under the set-aside exceeds resources and the Department determines this has a direct impact on the ability of individuals to exit institutions, TDHCA will consider proposing that funds under future HOME allocations be reserved for the benefit of this population. No changes are recommended at this time based on this comment.

Comment 2: Grantworks Inc. recommended that HOME create a provision that would assign program income and de-obligated funds first to single family activities before being placed in other funding

categories. Rental housing development has over \$9 million in funds estimated available for next year, while single family activities have only \$5 million. There are not many, if any, other sources of funds to accomplish this much needed work in rural Texas. The amount of \$1,754,596 currently listed in the Action Plan for homeowner rehabilitation assistance is the same allocation as for 2013, but Grantworks is concerned there may be fewer de-obligated funds this year to supplement the amount.

Staff response: The HOME Funding amounts in the Plan represent an approximate, planned use of funds for the 2014 HOME Allocation, expected to be awarded by HUD next year. Staff will take these comments into consideration when funding decisions are made based on TDHCA's Deobligation Policy, which can be found in 10 Texas Administrative Code §1.19.

Comment 3: MET recommended that HOME funding cycles and other TDHCA funding cycles correspond with U.S. Department of Agriculture (USDA) funding cycles for farmworker housing. This recommendation was specifically in regards to the USDA farm labor housing (Section 514/516) in order to show commitment of other funding sources, which is required within one year of USDA approval. If the timetables do not correspond, MET suggests that TDHCA allow for conditional commitment by the Board before the development is project-ready. MET cites California, Florida, Washington, and Oregon which have state grant and loan programs specifically to work with Section 514/516.

Staff response: The Department's rules and OYAP do not impose restrictions that preclude the Department from having a cycle that aligns with funding cycles of other federal programs, such as the USDA 514/516 programs. However, the Department has little control over the timing of HUD's provision of HOME funding to the Department or the timeframes associated with other federal programs not administered by the Department. Still, the Department generally endeavors to make multifamily HOME program funding available through open cycle Notices of Funding Availability (NOFA) so that HOME funding can be effectively leveraged with other sources of funds. In fact, multifamily HOME funds are currently available under an open cycle NOFA. The Department's rules also do not require "firm commitments" at the time application is made to the Department for multifamily HOME funds. The rules provide for a six month period subsequent the Board's approval of an award to secure and close on the other sources of funds with the possibility for time extensions for good cause. Any changes to these requirements would need to be addressed through the rulemaking process and not through changes to the OYAP. No changes are recommended based on this comment.

Comment 4: MET recommends that predevelopment and grant funds be created in HOME to help developers attract USDA funding for farmworker housing.

Staff response: Currently, 10 TAC Chapter 10 governs the loan terms required for loans provided through the HOME program and addresses timing issues associated with the funding. Currently, this chapter is proposed for amendment but the public comment period has closed. The Department would be happy to consider your comments in the future. No changes are recommended based on this comment.

Comment 5: MET encourages TDHCA to implement the recommendations cited in *Texas Rural Farmworker Housing Analysis*.

Staff response: Many of the recommendations provided in the study would require additional sources of funding or funding with fewer federal restrictions, such as large state funded rental assistance or predevelopment loan programs. The Department remains open to implementing recommendations reflected in the study, but the Department does not have the available resources to commit to carrying out many of the recommendations. As is evident in the study, the majority of the best practices highlighted from other states rely on large sources of state funding. The Department, instead, has attempted to maintain rules and requirements that do not preclude farmworkers from accessing the affordable housing that is funded and developed through the Department's programs. No changes are recommended based on this comment.

Comment 6: MET recommends that farmworkers could be removed as a "special need" since their status as a "special need" has not resulted in significant progress in service (15 migrant farmworkers served by TDHCA from 2005-2011). However, MET encourages TDHCA to require tracking of farmworkers served to make sure that the reports track all persons served, as MET concedes that there may be undercounting occurring. Finally, MET recommends that TDHCA should change the term "migrant farmworker" to "migrant and seasonal farmworker" in order to be consistent with the *State of Texas Analysis of Impediments to Fair Housing Choice* and *US National Agricultural Workers Survey*. The change in term would assist a more vulnerable population, since seasonal farmworkers often have lower incomes than migrant farmworkers.

Staff response: The reporting of an individual's status as a farm worker is only done through a voluntary process and HOME grantees are not required to solicit an individual's status as a farm worker or non-farm worker. In effect, there are two layers of voluntary reporting that result in these figures. In addition there is neither a specific incentive for a household to divulge their status in this regard nor a specific incentive for the HOME grantee to request such information. On this basis, staff believes that the figure reflected in the report is likely to be understated. No changes are recommended based on this comment.

Comment 7: MET recommends that farmworkers should have a "small program" created specifically for farmworker or workforce housing.

Staff response: The recommendations made by MET are more appropriately addressed by the Department's rulemaking process for the specific funding source from which MET would like a program created. No changes are recommended based on this comment.

Comment 8: MET recommends that TDHCA should outreach to the farmworker population to make sure they are aware of available services.

Staff response: The recommendations made by MET are more appropriately addressed by the Department's rulemaking process for the specific funding source from which MET would like outreach performed. No changes are recommended based on this comment.

Comment 9: MET recommends that TDHCA assign a staff person to provide assistance to and build capacity of organizations providing farmworker housing or rural options.

Staff response: The Department's multifamily and compliance staff is available to assist potential applicants and developers in better understanding the rules and regulations associated with layering funding sources to facilitate farm worker housing development. Staff would note that it is exceedingly rare that staff is contacted to assist with questions associated with farm worker housing. However, staff is consistently available to assist when questions do arise, including attendance at conferences concerning with development of farm worker housing. The Department has not experienced a volume of inquiries associated with farm worker housing that would warrant such a specific assignment. No changes are recommended based on this comment.



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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on Inducement Resolution No. 14-007 for Multifamily Housing Revenue Bonds and an Authorization for Filing Applications for Private Activity Bond Authority for the 2013 Waiting List

**RECOMMENDED ACTION**

**WHEREAS**, the Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department;

**WHEREAS**, the inducement allows staff to submit an application to the Bond Review Board (“BRB”) to await a Certificate of Reservation; and

**WHEREAS**, the Executive Award and Review Advisory Committee recommends the approval of the Inducement Resolution;

**NOW, therefore, it is hereby**

**RESOLVED**, that Inducement Resolution No. 14-007 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority from the 2013 Private Activity Bond Program for Patriot’s Crossing (#13609).

**BACKGROUND**

The Texas Bond Review Board administers the state’s annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 150 days to close on the private activity bonds.

During the 150-day process, the Department will review the Applicant’s complete application for compliance with the Department’s Rules and underwrite the transaction in accordance with the Underwriting and Loan Policy Rules. The Department will conduct a public hearing in the community of each development. The complete application including a transcript from the hearing will then be presented before the Board for a decision on the issuance of the bonds as well as the determination of housing tax credits.

Each year, the State of Texas is notified of the cap on the amount of private activity tax exempt revenue bonds that may be issued within the state. Approximately \$545 million is set aside for

multifamily until August 15<sup>th</sup> for the 2013 program year which includes the TDHCA set aside of approximately \$108 million. Inducement Resolution 14-007 represents the ninth application induced by the Board for the 2013 program year and reserves approximately \$13 million in state volume cap.

**Patriot's Crossing (#13609)**

*General Information:* The proposed Patriot's Crossing will be located at 4623 S. Lancaster Rd. in Dallas, Dallas County and will consist of 162 total units, of which all will be rent and income restricted serving the general population. This transaction is proposed to be Priority 3; which does not have a prescribed restriction on the percentage of Area Median Family Income (AMFI) that must be served.

An application for Patriot's Crossing was received under the 2013 Competitive (9%) Housing Tax Credit cycle. However, the application's score was not high enough for the application to be competitive for an award.

*Census Demographics:* Demographics for the census tract (0057.00) include an AMFI of \$32,872; the total population is 4,400; the percent of population that is minority is 98.61%; the percent of population that is below the poverty line is 41.10%; the number of owner occupied units is 904 and the number of renter units is 519. (Census information from FFIEC Geocoding 2013).

*Public Comment:* The Department received a letter of support from Senator Royce West, and no letters of opposition have been received.

## RESOLUTION NO. 14-007

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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, 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 persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, 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 multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, it is proposed that the Department issue its revenue bonds in one or more series for the purpose of providing financing for the multifamily residential rental developments (the “Developments”) more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the “Owners”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds (the “Application”) with the Texas Bond Review Board (the “Bond Review Board”) with respect to the tax-exempt Bonds to qualify for the Bond Review Board’s Allocation Program in connection with the Bond Review Board’s authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the “Board”) has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

## ARTICLE 1

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the “Bonds”) in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department’s credit underwriters for financial feasibility; (ii) review by the Department’s staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the “Attorney General”); (v) satisfaction of the Board that the respective Development meets the Department’s public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto (“Costs of the Developments”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in

connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature.

Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Bracewell & Giuliani LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, 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.

Section 1.15. Authorized Representatives. 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 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Multifamily Finance of the Department and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

## ARTICLE 2

### CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

- (a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owners are financially responsible;
- (d) the financing of the Developments is a public purpose and will provide a public benefit;  
and
- (e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

## ARTICLE 3

### GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

*[Execution page follows]*



PASSED AND APPROVED this 7<sup>th</sup> day of November, 2013.

[SEAL]

By: \_\_\_\_\_  
Chair, Governing Board

ATTEST:

\_\_\_\_\_  
Secretary to the Governing Board

*Signature Page to Inducement Resolution*

**EXHIBIT “A”**

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Patriot’s Crossing	Sapphire Road Development Patriot’s Crossing South, LLC	General Partner: Sapphire Road I GP, LLC; Members are: Yigal Lelah and Tracey Lelah; Yigal Lelah is the Manager	\$13,000,000
Costs: Construction of a 162-unit affordable, multifamily, rental community located at 4623 S. Lancaster Road, Dallas, Dallas County, Texas 75216.			

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action regarding Awards of HOME funds from the 2013-1 HOME Multifamily Development Program Notice of Funding Availability

**RECOMMENDED ACTION**

**WHEREAS**, the Department has received twenty-seven (27) applications for HOME awards under the 2013-1 HOME Multifamily Development Program Notice of Funding Availability (NOFA);

**WHEREAS**, no awards have been made under the NOFA to date and \$21,692,455 is available to award to eligible applications;

**WHEREAS**, nine (9) applications, including Crossing at Oak Grove (13003), Stone Creek Apartments (13004), Sunset Place Apartments (13001), The Trails at Carmel Creek (13201), Bailey Square (13213), Pine Lake Estates (13232), Mission Village of Pecos (13180), Evergreen at Hebron Senior Community (13058), and Mariposa at Elk Drive (13145), have received complete reviews for compliance with program and underwriting requirements and are ranked as the highest priority applications under the NOFA; and

**WHEREAS**, each of the nine (9) previously referenced applications were also awarded Competitive (9%) Housing Tax Credits from the 2013 tax credit ceiling;

**NOW, therefore, it is hereby**

**RESOLVED**, that commitments of HOME funding from the 2013-1 HOME Multifamily Development Program Notice of Funding Availability for Crossing at Oak Grove (13003), Stone Creek Apartments (13004), Sunset Place Apartments (13001), The Trails at Carmel Creek (13201), Bailey Square (13213), Pine Lake Estates (12232), Mission Village of Pecos (13180), Evergreen at Hebron Senior Community (13058), and Mariposa at Elk Drive (13145) are hereby approved in the form presented at this meeting, and as amended by the Board for any appeals or tax credit allocation decisions previously heard and determined; and

**FURTHER RESOLVED**, that the Board's approval is conditioned upon satisfaction of all conditions of underwriting and completion of any other reviews required to ensure compliance with the applicable rules and requirements for HOME Multifamily Development Program funds.

## **BACKGROUND**

On September 12, 2013, the Board approved the 2013-1 HOME Multifamily Development (MFD) Program Notice of Funding Availability (NOFA) with \$21,692,455 in funds (\$15,692,455 under the General Set-Aside and \$6,000,000 under the Community Housing Development Organization (CHDO) Set-Aside). Due to the timing of the 9% tax credit cycle, 9% Housing Tax Credit applicants were allowed to request HOME funds in accordance with the December 2012 Board approved policy. These applications have been accepted as submissions under the 2013-1 HOME MFD NOFA in accordance with the same policy and the Board action at the September Board meeting to approve the release of the NOFA. To date, no funds have been awarded under the NOFA.

Staff is recommending nine (9) applications for HOME awards, totaling \$7,090,000 under the General Set-Aside. The recommended applications and award amounts are outlined in the attached award recommendations log. Four (4) of the applications propose acquisition and rehabilitation while five (5) of the applications propose new construction. In total, these nine (9) applications will result in 122 HOME-assisted units. Each of the applications has been underwritten and determined to meet the Real Estate Analysis rules and requirements and has received a previous participation review.

Should the recommended awards be approved, approximately \$14.6M will remain available under the NOFA with \$8,602,455 under the General Set-Aside and \$6,000,000 under the CHDO Set-Aside, of which, applications requesting \$3,850,000 and \$2,000,000 respectively, are still under review. Subsequent award recommendations for applications undergoing staff reviews may appear on future Board agendas.

The Application and Award Recommendations Log is attached.



**2013-1 HOME Multifamily Development (MFD) Program NOFA - Application Log**  
**Total of \$21,692,455 Available**  
**Application Acceptance Period Ends 12/30/13**

Total Set Aside Funding Level: \$ 15,692,455  
 Available Balance (after awarded/recommended): \$ 8,602,455

**General Set-Aside**

File #	Reg.	Date Received (1)	Development Name	City	Housing Activity (2)	Reqstd HOME Units	Total units	Target Population	Layering (3)	Requested Project Funds	As Underwritten	Recommended Project Funds	Status
13046	11	2/11/2013	La Esperanza Del Rio	Rio Grande City ETJ	NC	9	60	General	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13003	3	2/25/2013	Crossing at Oak Grove	Kerens	R	26	32	General	9%	\$370,000	\$ 370,000	\$ 370,000	Recommended for Award
13004	4	2/25/2013	Stone Creek Apartments	Kilgore	R	17	56	General	9%	\$540,000	\$ 540,000	\$ 540,000	Recommended for Award
13001	4	2/27/2013	Sunset Place Apartments	Malakoff	R	11	36	General	9%	\$430,000	\$ 430,000	\$ 430,000	Recommended for Award
13201	7	2/27/2013	The Trails at Carmel Creek	Hutto	NC	13	61	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Recommended for Award
13213	10	2/28/2013	Bailey Square	Cuero	NC	9	56	General	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Recommended for Award
13000	11	3/1/2013	Delta Estates Apartments	Edcouch	R	64	64	General	9%	\$375,000	\$ -		Terminated
13087	11	3/1/2013	Villas del Rio	Rio Grande City	NC	10	80	General	9%	\$1,000,000	\$ 500,000		Under review
13211	12	3/1/2013	Mustang Springs Apartments	Andrews	NC	9	60	General	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13140	3	3/1/2013	Villas at Justin	Justin	NC	9	158	General	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13184	3	3/1/2013	The Village at Forney Crossing	Forney	NC	29	66	General	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13232	5	3/1/2013	Pine Lake Estates	Nacogdoches	R	12	100	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Recommended for Award
13245	1	3/1/2013	The Reserves at Sawgrass	Pampa	NC	13	48	General	9%	\$750,000			9% HTC rescinded

13180	12	3/13/2013	Mission Village of Pecos	Pecos	NC	12	60	General	9%	\$750,000	\$ 750,000	\$ 750,000	Recommended for Award
13058	3	3/28/2013	Evergreen at Hebron Senior Community	Hebron	NC	8	136	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Recommended for Award
13145	3	3/28/2013	Mariposa at Elk Drive	Burleson	NC	14	180	Elderly	9%	\$1,000,000	\$ 1,000,000	\$ 1,000,000	Recommended for Award
13045	3	3/29/2013	Evergreen at Murphy Senior Community	Murphy	NC	8	132	Elderly	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13137	7	4/1/2013	Mariposa at Ranch Road 12	Wimberley	NC	6	80	Elderly	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13138	3	4/1/2013	Mariposa at Woodbridge	Wylie	NC	14	180	Elderly	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13051	11	5/8/2013	Royal Gardens	Rio Grande City	NC	58	80	General	9%	\$1,000,000	\$ -		Not recommended for 9% HTC
13032	4	5/9/2013	StoneLeaf at Eustace	Eustace	NC	2	49	General	9%	\$425,000	\$ -		Recommended for 9% HTC without HOME funds
13033	8	5/9/2013	StoneLeaf at Fairfield	Fairfield	NC	4	49	General	9%	\$740,000	\$ -		Recommended for 9% HTC without HOME funds
13118	8	10/11/2013	Oak Ridge Apartments	Nolanville	NC	8	48	General	9%	\$1,000,000			Under review
13500	9	10/11/2013	Sunrise Townhomes	Fredericksburg	NC	11	36	General	HOME only	\$1,850,000			Under review
<b>Total General Applications</b>		<b>24</b>			<b>Unit Totals:</b>	<b>376</b>	<b>1907</b>	<b>Total:</b>		<b>\$ 21,230,000</b>	<b>\$ 7,590,000</b>	<b>\$ 7,090,000</b>	

Total Set Aside Funding Level: \$ 6,000,000

**CHDO Set-Aside**

Available Balance (after recommended/awarded): \$ 6,000,000

File #	Reg.	Date Received	Development Name	City	Housing Activity (1)	Reqstd HOME Units	Total units	Target Population (2)	Layering (3)	Requested Project Funds	As Underwritten	Recommended Project Funds	Status
13235	4	3/27/2013	Pinecrest Park	Kilgore	NC	12	56	Elderly	9%	\$819,000	\$ -		Not recommend for 9% HTC
13254	6	3/27/2013	Rice Senior Housing	El Campo	NC	14	56	Elderly	9%	\$834,000	\$ -		Not recommend for 9% HTC
13423	7	10/11/2013	Waters at Sunrise	Round Rock	NC	20	300	General	4%	\$2,000,000			Under review
<b>Total CHDO Applications</b>		<b>3</b>			<b>Unit Totals:</b>	<b>46</b>	<b>412</b>	<b>Total:</b>		<b>\$ 3,653,000</b>	<b>\$ -</b>	<b>\$ -</b>	

Sorted by Date Received

1 = Date Received: The date that the application, all required 3rd Party Reports, and Application Fees were received. Time received is currently not reflected.

2 = Housing Activity: New Construction=NC, Rehabilitation=R

3 = Layering of Other Department Active Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program

**1i**



To Be Posted 3 Days  
Prior to the Board Meeting

1j

# Quarterly Snapshot - Program Debut

## Housing Choice Voucher Program (Section 8)

Program Year 2013

	A	B	C	TDHCA Admin			F	G	H	I	J	K	L	M	N	O
				D	E											
Program	Award to Administer	Program Income	Total Cumulative Funds	Admin Retained	Admin Expenditure	% Expended	Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Units	Persons Served
Section 8	\$ 6,444,128	N/A	\$ 6,444,128	\$ 575,500	\$ 416,791	72%	\$ 5,868,628	\$ -	\$ 5,868,628	100%		\$ 4,498,151	77%		907	N/A

**Program Narrative**

Section 8 operates its program year aligned with the calendar year. Additionally, there is no overlap between program years. Since funds are allocated and distributed as needed, Section 8 doesn't have a process stage that is comparable to "Contracted." The stage is still represented on the Snapshot for consistency but will always be equal to "Non-TDHCA Admin Funds for Programming", and "% Contracted" will always equal 100%.

The "Units" figure is also uniquely calculated for Section 8 due to the nature of the program. The program assists clients with paying rent and utility assistance each month. To eliminate the effect of duplication (each client is served each month), each unit is only credited to the program as it joins the program and at the beginning of each program year. For example, if 100 clients were being assisted on January 1, 2013 (carried forward from 2012) the "Units" column would reflect 100. If during January 10 people left the program and 5 more joined the program, the new total would be 105. The "Units" figure reflects the number of people that were assisted by the program during the year. It doesn't take into account the people who leave the program because those people were assisted, nor does it account for how long those people were assisted. This methodology is the same as the LBB Performance Measure methodology for Section 8.

**Trendlines**

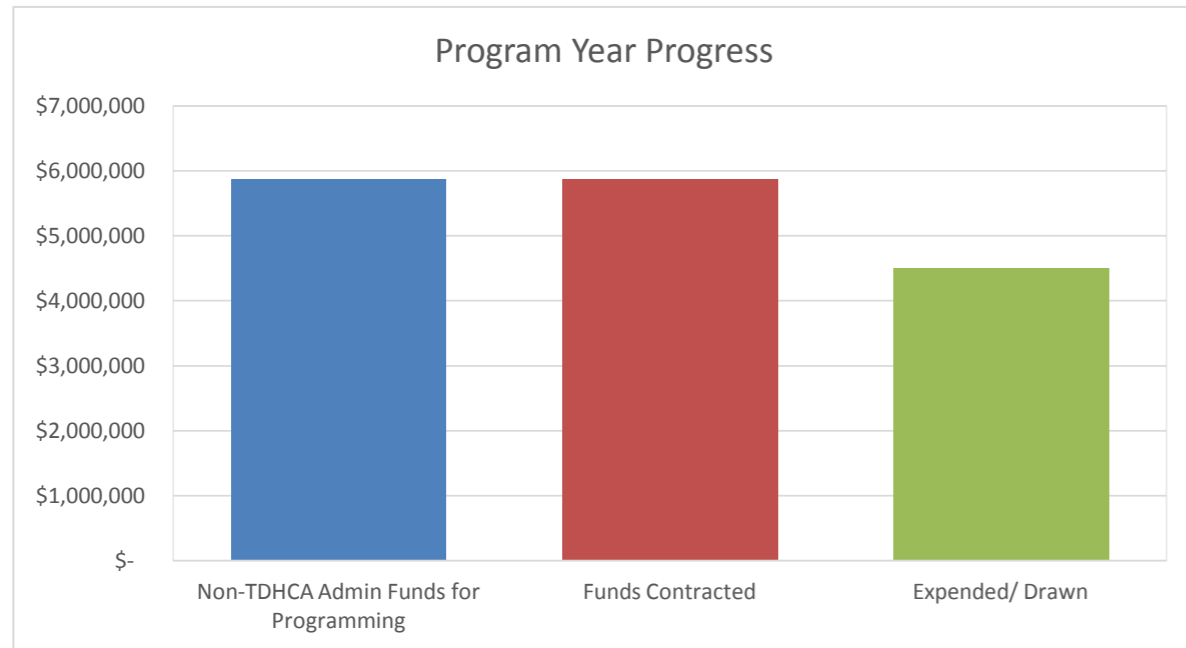
The "% Contracted Trendline" and "% Expended Trendline" (columns J and M) reflect four quarters of history. Each data point on the line reflects a quarter, with the value in columns I and L being the rightmost data point. These lines show recent trends in program activity. Since the unique nature of Section 8 means that it will also reflect 100% contracted, column J will always show a flat line at 100%. The "% Expended Trendline" shows steady progress in expenditures, typical of the program.

# Quarterly Snapshot - Program Debut

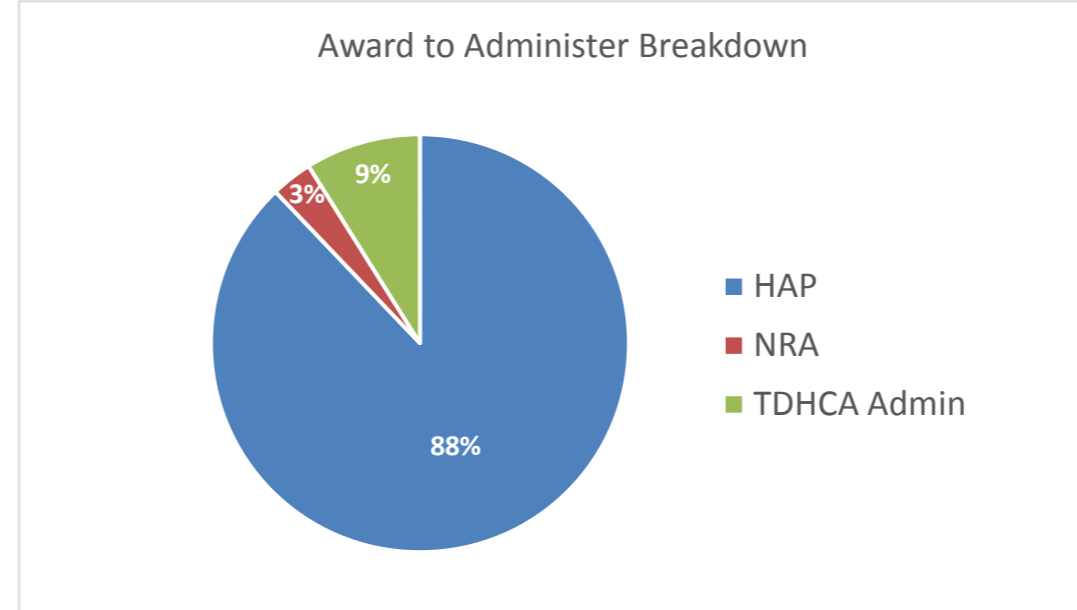
## Program Area Snapshot - Housing Choice Voucher Program (Section 8)

Program Year 2013

Program	Program Year	Award to Administer	Program Income	Total Cumulative Funds	TDHCA Administrative Funds*			Non-TDHCA Admin Funds for Programming	Funds Unencumbered	Funds Contracted	% Contracted	% Contracted Trendline	Expended/ Drawn	% Expended	% Expended Trendline	Persons Served
					Admin Retained	Admin Expenditure	% Expended									
Section 8	2013	\$ 6,444,128	N/A	\$ 6,444,128	\$ 575,500	\$ 416,791	72%	\$ 5,868,628	\$ -	\$ 5,868,628	100%		\$ 4,498,151	77%		907



The bar chart shows the progress of the current program year. Since there is no "Contracted" stage or anything comparable, the red bar will always be equal to the red bar. The green bar represents all rental and utility assistance payments made. As the bar chart shows, the 2013 program year allocation is roughly 75% expended. This is typical for the program in late October.



The primary source of Section 8 funding is the Housing Assistance Payments (HAP). These are payments made to clients for rent and utility assistance. The second source in terms of amount of funding is the administrative dollars HUD sets aside for TDHCA administering the Section 8 program. The smallest source of funds is the Net Restricted Assets (NRA) amount. This amount comes from budget overages in past allocations.

1k

**BOARD ACTION REQUEST**

**BOND FINANCE DIVISION**

**November 7, 2013**

Presentation, Discussion, and Possible Action to publish a Request for Proposal (“RFP”) for investment banking firms interested in providing financial advisory services for multifamily and single family bond issues and general financial advisory work starting in fiscal year 2015.

**RECOMMENDED ACTION**

**WHEREAS**, publication of the RFP will allow the Department to identify qualified investment banking firms in order to allow the Department to structure and market single and multifamily mortgage revenue bond programs; and

**WHEREAS**, the Board now desires to retain a financial advisory firm for single and multifamily activities;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designee(s) be, and each of them are, authorized for and on behalf of the Department to publish an RFP for Financial Advisory Services and to select a firm(s) in accordance with that RFP and to advise the Board of any firm(s) so selected.

**Background**

Staff proposes to issue an RFP for financial advisor for firms interested in providing financial advisory services for one or more of its single family mortgage revenue bond issues and/or multifamily mortgage revenue bond issues. The Department selected RBC Capital Markets in 2010, that contract was subsequently assigned to its current financial advisor, George K. Baum & Company in 2012.

The principal services provided by the financial advisor for the Department’s Multifamily and Single Family bond transactions may include, but are not limited to:

- Advice as to appropriate timing for issuance of debt.
- Assist with rating agency presentations.
- Assist with selection of underwriting team, credit enhancement providers, and other parties.
- Provide cash flow analytics.
- Review, if and when necessary, multifamily application packages.
- Analyze proposed structure, pricing, expenses, and underwriter’s compensation.

- Assist with quarterly mark-to-market reports and annual GASB #53 reports.
- Assist with bond closings.
- Attend, when necessary, TEFRA hearings.
- Attend, when necessary, Texas Bond Review Board hearings.
- Review of existing debt for refunding opportunities.
- Evaluation of future restructuring opportunities.
- Assist, if and when necessary, with multifamily workouts and restructurings.
- Assist with funding process relative to timing and source of funds for single family capital.
- Identify financing alternatives (various debt structures) and monitor market activity and debt transactions as related to financing needs in order to keep TDHCA current.
- Review ratings and assist in strategy for rating maintenance and/or upgrade.
- Provide data and analysis of data concerning mortgage revenue bonds.
- Advise as to utilization of competitive versus negotiated sales.
- Review and assist with preparation of institutional investor letters.

The responses in the RFP will be reviewed, analyzed, and scored by Bond Finance and Multifamily staff using criteria set-forth in the RFP. Key criteria include, but not limited to:

- Commitment to Housing
- Prior swap advisor experience in the State of Texas
- Financial strength
- Geographic presence in the State of Texas
- Prior Experience with the Department
- Experience of Personnel Assigned to TDHCA
- Other Applicable Experience

Once the review process is completed, staff will report the investment banking firm(s) selected to the board.

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**BOARD REPORT ITEM**

**BOND FINANCE DIVISION**

**NOVEMBER 7, 2013**

Report on Request for Proposal for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager.

**Background**

A Request for Proposal (RFP) was posted for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager on August 30, 2013, with a due date of September 27, 2013.

Fifteen proposals were received by the due date. One proposal was deemed non-conforming.

Based on a team review comprised of Department staff and the Department's Financial Advisor, the investment banking team will be the following:

Senior Managers

- J.P. Morgan
- Morgan Stanley & Co.
- Ramirez & Co.

Co-Managers

- Estrada Hinojosa & Co.
- Loop Capital Markets
- Raymond James & Associates
- RBC Capital Markets

The term of the award will be two years with the ability to renew and extend the award an additional two years.

1m

**BOARD ACTION REQUEST**

**LEGAL SERVICES**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.8 (a) and (b), concerning Forms, and directing their publication for public comment in the *Texas Register*.

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code §2306.923 requires that a person apply to the Department for a license to operate or to renew a license to operate a Migrant Labor Housing Facility on a form prescribed by the Department's Governing Board;

**WHEREAS**, the forms to apply for or renew a license to operate a migrant labor housing facility are located in 10 TAC §90.8 (a) and (b); and

**WHEREAS**, Staff recommends certain changes to the application and the renewal forms to correct errors and make the forms easier to use by staff and the public;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designees be and each of them hereby are authorized and empowered, and directed, for and on behalf of the Department, to cause the proposed amendments, in the form presented to this meeting, to be published in the *Texas Register* for review and public comment, in connection therewith, make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

**BACKGROUND**

Currently, 10 TAC §90.8 (a) and (b) includes links that the public can access to review forms to apply for or renew a license to operate a migrant labor housing facility. The proposed amendments to 10 TAC §90.8 (a) and (b), will make the new forms more consistent with other Department forms, in addition to simplifying them. E-mail addresses have been corrected, and new boxes have been added to track the original license information for data entry purposes for the Department's internal use.

The current and the proposed forms are attached:

- a) Figure A: Proposed 10 TAC §90.8(a) (Application)
- b) Figure B: Proposed 10 TAC §90.8(b) (Renewal)

**Attachment A: Preamble for Proposed Amendments to 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.8 (a) and (b) concerning Forms**

The Texas Department of Housing and Community Affairs (the "Department") proposes amendments to 10 TAC Chapter 90, Migrant Labor Housing Facilities, §90.8 (a) and (b), concerning Forms, for public comment and publication in the *Texas Register*. The purposes of the amendments are (1) to update the internet address; (2) to add a section to allow internal tracking of original license information, (3) to make the form more consistent with other Department forms; and (4) to make the forms easier to use.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the proposed amendments will be in effect, enforcing or administering the proposed amendments does not have any foreseeable implications related to costs or revenues of the state of local government.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the amended rules will be in effect, the public benefit anticipated as a result of the amendment of the rules will be application and renewal forms that are easier to use by the public and staff. There will not be any economic cost to any individuals required to comply with the rule as a result of this action.

SMALL BUSINESS IMPACT STATEMENT. The Department has determined that there will be no economic effect on small or micro-businesses.

REQUEST FOR PUBLIC COMMENT. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Jeff Pender, Rule Comments, P.O. Box 13941, Austin, Texas, 78711-3941 or by fax to Jeff Pender, (512) 469-9606. **ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. ON DECEMBER 30, 2013.**

STATUTORY AUTHORITY. The amendments are proposed pursuant to Tex. Gov't Code Ann. §2306.053 which authorizes the Department to promulgate rules. More specifically, Tex. Gov't Code Ann. §2306.923 requires the Department to promulgate application forms to be used in licensing Migrant Labor Housing Facilities;

The proposed amendments affect no other code, article or statute.

PROPOSED RULE. §90.8 Forms (a) Appendix A – Application for a License to Operate a Migrant Labor Housing Facility form

Figure: 10 TAC § 90.8(a)

PROPOSED RULE. §90.8 Forms (b) Appendix B – Application for Renewal of License to Operate a Migrant Labor Housing Facility form

Figure: 10 TAC §90.8(b)

Texas Department of Housing and Community Affairs

P. O. BOX 13981 Austin, Texas 78711-2489

Phone: 512-475-4999 or Fax: 512-475-0495

Pursuant to the Texas Migrant Labor Housing Facility Act, Tex. Gov. Code, §§2306.921-2306.933

Internet Address: <http://www.tdhca.state.tx.us/migrant-housing/index.htm>

**License Fee:**  
**\$250.00**

**APPLICATION TO OPERATE A MIGRANT LABOR HOUSING FACILITY**  
*(Please type or print clearly.)*

Facility Location			
Facility Name:		Facility Phone #:	
Physical Location or Address of Facility:			
City:	State: TX	ZIP:	County:

Facility Description		
Number of Buildings: _____	Number of Units: _____	Total Capacity: _____
<b>Water Supply</b>	<b>Sewage Disposal</b>	<b>Cooking Facility</b>
<input type="checkbox"/> Municipal	<input type="checkbox"/> Municipal	<input type="checkbox"/> General Mess
<input type="checkbox"/> Private	<input type="checkbox"/> Septic	<input type="checkbox"/> Individual
<b>Bathing</b>	<b>Laundry</b>	<b>Hand washing</b>
<input type="checkbox"/> Central	<input type="checkbox"/> Central	<input type="checkbox"/> Central
<input type="checkbox"/> Individual	<input type="checkbox"/> Individual	<input type="checkbox"/> Individual

Owner/Operator Contact Information		
<i>(Address where license will be mailed, e.g., address of corporation, company, or home.)</i>		
Owner Name:		
Contact Person:		
Mailing Address:		
City:	State: TX	ZIP:
Owner's Phone #:		Owner's Fax:
Owner's Email:		

DEPARTMENT USE ONLY		
License Number Issued: MLF00000	Date Inspected:	Receipt #:
Effective/Expiration Date:		
Comments:		

## FIGURE B

**LICENSE  
RENEWAL****License Fee:  
\$250.00**

## Texas Department of Housing and Community Affairs

P. O. BOX 13981 Austin, Texas 78711-2489

Phone: 512-475-4999 or Fax: 512-475-0495

Pursuant to the Texas Migrant Labor Housing Facility Act, Tex. Gov. Code, §§2306.921-2306.933

Internet Address: <http://www.tdhca.state.tx.us/migrant-housing/index.htm>

HCAMLF00000

License Exp:

Inspection Date:

**APPLICATION TO OPERATE A MIGRANT LABOR HOUSING FACILITY***(Please type or print clearly.)***Facility Location**

Facility Name:

Facility Phone #:

Physical Location or  
Address of Facility:

City:

State: TX

ZIP:

County:

**Facility Description**

Number of Buildings: \_\_\_\_\_

Number of Units: \_\_\_\_\_

Total Capacity: \_\_\_\_\_

**Water Supply** Municipal Private**Sewage Disposal** Municipal Septic**Cooking Facility** General Mess Individual**Bathing** Central Individual**Laundry** Central Individual**Hand washing** Central Individual**Owner/Operator Contact Information***(Address where license will be mailed, e.g., address of corporation, company, or home.)*

Owner Name:

Contact Person:

Mailing Address:

City:

State: TX

ZIP:

Owner's Phone #:

Owner's Fax:

Owner's Email:

**DEPARTMENT USE ONLY**

License Number Issued: MLF00000

Date Inspected:

Receipt #:

Effective/Expiration Date:

Comments:

1n

**BOARD ACTION REQUEST**

**LEGAL SERVICES**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on proposed amendments to 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.10, concerning Public Comment Procedures, to be published for public comment in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code, §2306.066(d) requires that the Department develop and implement policies to provide the public with reasonable opportunities to appear before the Board;

**WHEREAS**, the Board has adopted such policy with the promulgation of 10 TAC §1.10, Public Comment Procedures; and

**WHEREAS**, staff recommends that certain amendments be made in the Department's public comment procedures to conform the practices of the Board and those of persons wishing to speak and/or present materials at Board meetings;

**NOW, therefore, it is hereby**

**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 notice of proposed amendments, in the form presented to this meeting, to be published in the *Texas Register* for review and public comment, and in connection therewith, to make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

**BACKGROUND**

The Public Comment Procedures rule is unique in the sense that it is an attempt to balance the needs of the Board to hear all relevant comment on the issues before it with the need to accomplish its business in a timely manner. The amendments proposed today are an effort to maintain that balance.

The first proposed change is to give the Board more discretion in allowing public discussion on matters that will be coming to the Board at a later meeting. The second significant proposed change is to require that those wanting to present written materials to the Board must, among other things, provide the materials, to the staff prior to the start of the meeting. Several other non-substantive changes are proposed.



**Attachment A: Preamble for Proposed Amendments to 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.10, concerning Public Comment Procedures**

The Texas Department of Housing and Community Affairs (the "Department") proposes amendments to 10 TAC Chapter 1, §1.10, concerning Public Comment Procedures, for public comment and publication in the *Texas Register*. The primary changes proposed are, (1) to give the Board discretion to limit discussions of matters if those matters are to be placed on or scheduled for a future Board agenda, and (2) to provide an orderly procedure for those wishing to present written materials to the Board for consideration at a Board meeting. Several minor changes are also proposed.

**FISCAL NOTE:** Timothy K. Irvine, Executive Director, has determined that for each year of the first five years the proposed amendments will be in effect, enforcing or administering the proposed new rule does not have any foreseeable implication related to costs or revenues of the state or local governments.

**PUBLIC BENEFIT/COST NOTE:** Mr. Irvine has also determined that, for each year of the first five years the amendments will be in effect, the public benefit will be more orderly and efficient Board meetings. There will not be any economic cost to individuals required to comply with the rule as a result of this action.

**ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES:** The Department has determined that there will be no economic effect on small or micro-businesses.

**REQUEST FOR PUBLIC COMMENT:** Written comments may be submitted to the Texas Department of Housing and Community Affairs, Jeffrey Pender, Rule Comments, P.O. Box 13941, Austin, TX 78711-3941, or by FAX to (512) 469-9606. **ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. DECEMBER 30, 2013.**

**STATUTORY AUTHORITY.** The amendments are proposed pursuant to Tex. Gov't Code Ann. §2306.053 which authorizes the Department to adopt rules, and more specifically, §2306.066(d) which requires the board to develop and implement policies that provide the public a reasonable opportunity to appear before the Board and make comments on matters within its jurisdiction.

The proposed amendments affect no other code, article, or statute.

**§1.10.Public Comment Procedures.**

(a) Purpose. The purpose of this section is to establish procedures for hearing public comments at meetings open to the public held by the Texas Department of Housing and Community Affairs in accordance with §2306.032(f) and §2306.066(d) of the Texas Government Code.

(b) Procedures for taking public comment.

(1) At each meeting open to the public the board shall provide opportunity for members of the public to make:

(A) General public comment, such as reports, recommendations, or other testimony on matters of relevance to the Department's business or to request that the board place specific items on future agendas for consideration, after the board has taken action on all posted agenda items on which it intends to take action. In addition to the prerogative of the chair to place reasonable limits on public comment, the Board reserves the right to limit general public comment to the extent that the comment relates to an item to be placed on or scheduled for a future Board agenda; and

(B) Specific public comment on each posted agenda item after the presentation made by Department staff and motions made by the Board. For purposes of this rule the Board may consider the staff's presentation to be staff's written presentation in the Board's meeting book and posted on the Department's website.

(2) The opportunity for general public comment under paragraph (1)(A) of this subsection may not be used to advocate for or against any specific action relating to any posted item, the opportunity for any such testimony to be limited to the appointed time when action on such matter is formally considered as a posted agenda item.

(3) At the time general or specific public comment is taken, speakers shall queue up behind the podium or other place designated for speakers. They may, if they wish, agree among themselves on an order in which they will speak. If a large number of speakers wish to testify, the chair may, in his or her reasonable discretion, establish appropriate limits on the total amount of time to be devoted to testimony on any given item or items. As each individual speaker begins his or her testimony, they must ~~shall~~ state on the record their name and on whose behalf they are speaking.

(4) Individuals not speaking who wish to register positions for or against a posted agenda item may register their positions, for or against, with the secretary of the meeting, or another person designated by the chair, on a form, which the person wishing to register must sign, stating their name, whom they represent, the action item, and their position. At the end of the public comment on the item the chair will have registered positions for and against read into the record.

(5) Additional limits on public comment.

(A) The Board chair, in her/his sole discretion, may additionally limit the number and length of presentations of public comment, both general and specific, at any time during a meeting based on a consideration of:

(i) the number of persons wishing to give public comment;

(ii) the number of agenda items to be heard;

(iii) the time available for the meeting; and

(iv) the risk of losing a quorum of Board members.

(B) If the Bboard chair limits presentations, she or he will not limit them in a manner that inappropriately favors a particular point of view.

(C) The Bboard chair may, in her or his reasonable discretion, grant deference to elected officials and other persons who have traveled great distances.

(6) Presenting printed materials. An individual providing testimony to the Bboard may provide printed materials only if they are provided as outlined in subparagraphs (A) - (C) of this paragraph:

(A) In order to ensure that members of the Bboard and the public are given an opportunity to review any such materials, they must be provided to the Department staff not less than five (5) business days prior to the meeting at which they are to be used. This is to enable staff to post them on the Department's website not later than the third day before the date of the meeting, as provided for in Tex. Gov't. Code, §2306.032(c). They must be made available in Adobe Acrobat (pdf) electronic format;

(B) Department staff will post such materials to the Ddepartment's website no later than ~~three (3)~~ business days the third day before prior to the meeting at which they are to be used;

(C) In exceptional circumstances the chair may, in her/his sole discretion, and only after giving Board members an opportunity to object ~~provided no member of the board objects~~, allow materials to be provided at a meeting in hard copy format provided:

(i) they are delivered to staff prior to the start of the meeting so that staff may log in the materials and the chair may review for acceptance under this subsection. Materials may not be handed directly by the public to a Board member on the dais.

(ii) they are not so voluminous as to cause inordinate delay while members of the Bboard and public review them;

(iii) they are provided in hard copy format to all members of the public in attendance; and

~~(iv)~~ they are also provided to staff in Adobe Acrobat (.pdf) format for inclusion in the electronic records of board materials available to the public via the Department's website.

(7) Persons seeking allowance of written materials under paragraph 6(C) of this section should be aware that their proffered materials may be disallowed, and they should always be prepared to proceed with a verbal presentation within the time constraints for public speaking at Board meetings. — The fact that an individual provides testimony to the board shall not establish any presumption that a board member or the board collectively gave particular weight or credence to that testimony.

This proposed new section has been reviewed by legal counsel and found to be within the Department's authority to adopt.

10

**BOARD ACTION REQUEST**

**LEGAL SERVICES**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code, §2001.039 for 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers, and directing its publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code, §2001.039 requires that an agency review its rules every four years to determine whether the reasons for initially adopting the rule continue to exist;

**WHEREAS**, A Notice of Rule Review requesting comments was published in the *Texas Register* (38 TexReg 5743) on August 30, 2013, concerning 10 TAC §1.16, Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers; and

**WHEREAS**, no comments were received and the Department finds that the reasons for initially adopting the rule continue to exist;

**NOW, therefore, it is hereby**

**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 Notice of Adopted Rule Review regarding 10 TAC §1.16, in the form presented to this meeting, to be published in the *Texas Register* and, in connection therewith, make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

**BACKGROUND**

Texas Government Code §2001.039 requires that a state agency review its rules every four years. The primary purpose of the review is to determine whether the reason for the initial adoption of the rule continues to exist. The rule was initially adopted because Texas Government Code Chapter 2263 requires the Department to adopt rules establishing a code of conduct for its outside financial advisors.

During the review process, an agency may determine that a rule as currently in effect continues to be necessary, or that a rule needs to be amended, or that a rule is no longer valid or applicable and should be repealed. The agency is required to publish in the *Texas Register* a citation to the rule under review (Notice of Intention to Review) and solicit public comment. Such notice was published in the *Texas Register* (38 TexReg 5743) on August 30, 2013. No comments were received. Staff believes that as long as the statutory requirement remains in place the Department should retain the rule. Staff recommends that the board readopt the rule with no changes.

**Attachment A: Preamble for Notice of Adopted Review of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, concerning Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers**

Adopted Rule Reviews

The Texas Department of Housing and Community Affairs (“Department”) has completed its rule review of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, concerning Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers pursuant to Texas Government Code §2001.039. The Department published its Notice of Intent to Review this chapter in the August 30, 2013 issue of the *Texas Register* ( 38TexReg 5743).

The purpose of the review was to assess whether the reasons for initially adopting the rule continue to exist. No comments were received regarding this review.

The rule was initially adopted to comply with the requirements of Chapter 2263 of the Texas Government Code which requires a state agency to adopt standards of conduct applicable to outside financial advisors who provide financial services to an agency in connection with the management and investment of state funds. As a result of this review, the Governing Board finds that the reasons for adopting the rules in 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.16, concerning Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers continue to exist and readopts the sections without changes in accordance with the requirements of Texas Government Code §2001.039. Rules considered during this review may be subsequently revised in accordance with the Texas Administrative Procedures Act.

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**BOARD ACTION REQUEST**

**LEGAL SERVICES**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the issuance of a Notice of Adoption of Rule Review pursuant to Texas Government Code §2001.039 for 10 TAC §1.17, Alternative Dispute Resolution and Negotiated Rulemaking, and directing its publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code, §2001.039 requires that an agency review its rules every four years to determine whether the reasons for initially adopting the rule continue to exist;

**WHEREAS**, a Notice of Rule Review requesting comments was published in the *Texas Register* (38 TexReg 5743) on August 30, 2013, concerning 10 TAC §1.17, Alternative Dispute Resolution and Negotiated Rulemaking; and

**WHEREAS**, no comments were received and the Department finds that the reasons for initially adopting the rule continue to exist;

**NOW, therefore, it is hereby**

**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 notice of adopted rule review of 10 TAC §1.17, in the form presented to this meeting, to be published in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

**BACKGROUND**

Texas Government Code, §2001.039 requires that a state agency review its rules every four years. The primary purpose of the review is to determine whether the reason for the initial adoption of the rule continues to exist. The rule was initially adopted because §2306.082 of the Texas Government Code requires the Department to encourage the use of negotiated rulemaking and alternative dispute resolution methods.

During the review process, an agency may determine that a rule as currently in effect continues to be necessary, or that a rule needs to be amended, or that a rule is no longer valid or applicable and should be repealed. The agency is required to publish in the *Texas Register* a citation to the rule under review (Notice of Intention to Review) and solicit public comment.



Such notice was published in the *Texas Register* (38 TexReg 5743) on August 30, 2013. No comments were received. Staff believes that as long as the statutory requirement remains in place the Department should retain the rule. Staff recommends that the board readopt the rule with no changes.

**Attachment A: Preamble for Notice of Adopted Review of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.17, concerning Alternative Dispute Resolution and Negotiated Rulemaking**

Adopted Rule Reviews

The Texas Department of Housing and Community Affairs (“Department”) has completed its rule review of 10 Texas Administrative Code, Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.17, concerning Alternative Dispute Resolution and Negotiated Rulemaking pursuant to Texas Government Code, §2001.039. The Department published its Notice of Intent to Review this chapter in the August 30, 2013 issue of the *Texas Register* (82 TexReg 5743)

The purpose of the review was to assess whether the reasons for initially adopting the rule continue to exist. No comments were received regarding this review.

These rules were initially adopted because §2306.082 of the Texas Government Code requires the Department to develop and implement a policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures for the adoption of Department rules and the resolution of internal and external disputes, respectively. As a result of this review, the Governing Board finds that the reasons for adopting the rules in Chapter 1, Administration, subchapter A, General Policies and Procedures, §1.17, concerning Alternative Dispute Resolution and Negotiated Rulemaking, continue to exist and readopts the sections without changes in accordance with the requirements of Texas Government Code, §2001.039. Rules considered during this review may be subsequently revised in accordance with the Texas Administrative Procedures Act.

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**BOARD ACTION REQUEST**

**LEGAL SERVICES**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the adoption of new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.9, concerning Texas Public Information Act Training for Department Employees, and directing its publication for adoption in the *Texas Register*.

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code §2306.052(e) requires that the Department develop and implement rules to train employees on the public information requirements of Texas Government Code, Chapter 552;

**WHEREAS**, On September 6, 2013, the proposed rule was published in the *Texas Register* for public comment through October 7, 2013, and

**WHEREAS**, no public comments were received on the proposed new rule;

**NOW, therefore, it is hereby**

**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 adopted rule, in the form presented in this meeting, to be published in the *Texas Register* for final adoption, and in connection therewith, to make such non-substantive technical corrections as they deem necessary to effectuate the foregoing.

**BACKGROUND**

The Department currently handles all requests for public information under its Standard Operating Procedure ("SOP") No. 1270.02, Public Information Requests. Training of Department employees is addressed in the SOP.

Texas Government Code §2306.052(e), however, requires that the Department adopt an administrative rule setting forth its program for training employees on handling requests under the Public Information Act. This new section sets forth the requirement for general training to be given to all Department employees upon employment with the Department, and additional, specialized training to be given to divisional public information liaisons, who are responsible for the day-to-day processing of public information requests.

**Attachment A: Preamble for Adopted New 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.9, concerning Texas Public Information Act Training for Department Employees**

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.9, concerning Texas Public Information Act Training for Department Employees, without changes to the proposed text as published in the September 6, 2016, issue of the *Texas Register* (38 TexReg 5813) and will not be republished.

REASONED JUSTIFICATION: The Department finds that §2306.052(e) of the Texas Government Code requires the Department to provide for, by rule, the training of its employees in the processing of public information requests. Accordingly, this rule is adopted to set forth the general requirements for the training of Department employees.

The Department accepted public comments between September 6, 2013, and October 7, 2013. Comments regarding the new section were accepted in writing and by fax. No comments were received concerning the new section.

The Board approved the final order adopting the new section on October 10, 2013.

STATUTORY AUTHORITY: The new section is adopted pursuant to the authority of Tex. Gov't Code Ann. §2306.053 which authorizes the Department to adopt rules, and pursuant to §2306.052(e) of the Texas Government Code which requires the Department to adopt rules providing for the training of department employees on the requirements of Chapter 552 of the Texas Government Code.

**§1.9. Texas Public Information Act Training for Department Employees.**

(a) All employees of the Department shall receive training on the roles and responsibilities of state agency employees under the Texas Public Information Act (the "Act"). Training shall take place at the time of initial employment with the Department, and thereafter from time to time as determined by the Executive Director.

(b) Each division in the Department shall designate a public information liaison for the division and an alternate. In addition to the training received upon initial employment the public information liaisons and alternates shall receive additional specialized training on the requirements of the Public Information Act. Public information liaisons shall be responsible for locating and assembling division documents responsive to public information requests in a timely manner, coordinating public information requests with other divisions including Legal Services and tracking the request in the Department's log used for such purpose. Additional public information liaison training sessions may be required from time to time by the Executive Director.

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on orders adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures; and new 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, and directing their publication in the *Texas Register*.

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Texas Government Code, §2306.053 and §2306.092, the Department is provided the authority to adopt rules governing the administration of the Department and its Community Affairs programs;

**WHEREAS**, the proposed repeal of 10 TAC Chapter 5, Subchapter D, §5.430, removes requirements related to Assurance 16 activities within program rules as a specific budget line item for Assurance 16 is unnecessary;

**WHEREAS**, the proposed new 10 TAC Chapter 5, Subchapter D, §5.430, clarifies allowable uses of Comprehensive Energy Assistance Program (CEAP) funds, including administrative and program services activities and allows greater flexibility for Subrecipients within program rules;

**WHEREAS**, the proposed repeal and new sections were published in the *Texas Register* on October 4, 2013, for public comment; and

**WHEREAS**, no public comment was received;

**NOW, therefore, it is hereby**

**RESOLVED**, that the final orders adopting the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures; and the new 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Program Services Costs, are hereby approved and adopted, together with the preambles presented to this meeting, for publication in the *Texas Register*; and

**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 adopted repeal and new sections, in the form presented to this meeting, to be published in the *Texas Register* and in connection therewith, make such

non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

### **BACKGROUND**

The proposed repeal and new sections were approved for publication on September 12, 2013, by the Board, and were published in the October 4, 2013, issue of the *Texas Register* to allow for public comment. The public comment period closed on October 28, 2013. No comments were received.



**Attachment A. Preamble and repeal of 10 TAC Chapter 5, Subchapter D, §5.430.**

The Texas Department of Housing and Community Affairs (the "Department") adopts the repeal of 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430, concerning Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures, without changes to the proposed text as published in the October 4, 2013, issue of the *Texas Register* (38 TexReg 6791) and will not be republished.

REASONED JUSTIFICATION. The Department finds that having a specific budget line item for Assurance 16 activities in the Comprehensive Energy Assistance Program (CEAP) is unnecessary, within program guidelines. Accordingly, the repeal effectively removes the unnecessary budget line item. The adoption of new 10 TAC §5.430 is published concurrently with this repeal in this issue of the *Texas Register*.

The Department accepted public comments between October 4, 2013, and October 28, 2013. Comments regarding the repeal were accepted in writing and by fax. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on November 7, 2013.

STATUTORY AUTHORITY. The repeal is adopted pursuant to the authority of Texas Government Code, §2306.053 which authorizes the Department to adopt rules.

*§5.430. Allowable Subrecipient Administrative and Assurance 16 Activities Expenditures*

**Attachment B: Preamble and New 10 TAC Chapter 5, Subchapter D, §5.430.**

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC Chapter 5, Community Affairs Programs, Subchapter D, §5.430 concerning Allowable Subrecipient Administrative and Program Services Costs, without changes to the proposed text as published in the October 4, 2013, issue of the *Texas Register* (38 TexReg 6792) and will not be republished.

REASONED JUSTIFICATION. The Department finds that allowable uses of Comprehensive Assistance Program (CEAP) funds for administrative and program costs lack clarity in this Subchapter. Accordingly, the new section identifies allowable administrative costs and program services costs, provides that the calculation will be based upon a percentage of direct services costs, and requires that any excess be paid from non-federal funds.

The Department accepted public comments between October 4, 2013, and October 28, 2013. Comments regarding the new section were accepted in writing and by fax. No comments were received concerning the new section.

The Board approved the final order adopting the new section on November 7, 2013.

STATUTORY AUTHORITY. The new section is adopted pursuant to the authority of Texas Government Code, §2306.053 which authorizes the Department to adopt rules.

*§5.430. Allowable Subrecipient Administrative and Program Services Costs.*

(a) Allowable administrative costs for administrative activities includes costs for general administration and coordination of CEAP, including contract costs and all indirect (or overhead) cost, and activities as described in paragraphs (1) - (13) of this subsection:

- (1) salaries and benefits of staff performing administrative and coordination functions;
- (2) activities related to eligibility determinations;
- (3) preparations of program plans, budgets and schedules;
- (4) monitoring of program and projects;
- (5) fraud and abuse units;
- (6) procurement activities;
- (7) public relations;
- (8) services related to accounting, litigation, audits, management of property, payroll and personnel;
- (9) costs of goods and services required for administration of the program such as the costs for supplies, equipment, travel, postage, utilities and rental of office space and maintenance of office space, provided that such costs are not excluded as direct administrative costs providing program services;
- (10) travel costs incurred for official business and not excluded as a direct administrative cost for providing programs services (as described in Program Services cost in subsection (d) of this section);
- (11) preparing reports and other documents;
- (12) management information systems not related to tracking and monitoring of CEAP requirements;
- and
- (13) cost of administering Assurance 16 activities.

(b) The Department calculates funds available for Subrecipient administrative activities as a percentage of Direct Services expenditures.

(c) Any cost in excess of the maximum allowable by the CEAP contract must be paid from non-federal funds.

(d) Program services costs may include providing program information to clients, screening and assessments, salaries and benefits for staff providing program services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental of office space and maintenance of office space. Other program services costs may include outreach activities and expenditures on the information technology and computerization needed for tracking or monitoring required by CEAP.

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**BOARD ACTION REQUEST**

**COMPLIANCE DIVISION**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the proposed repeal of 10 TAC Chapter 60, Compliance Administration, Subchapter B, §§60.201 – 60.211, concerning Accessibility Requirements, and proposed new Chapter 1, Subchapter B §§1.201 – 1.212, concerning Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and directing their publication for public comment in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, the Department last revised its accessibility rules in February 2008;

**WHEREAS**, on September 15, 2010, the U.S. Department of Justice (“U.S. DOJ”) published revised regulations at 28 C.F.R. Part 35 and 28 C.F.R Part 36 implementing Title II and III, respectively, of the Americans with Disabilities Act (“ADA”), enacting what are commonly known as the 2010 Standards;

**WHEREAS**, on March 6, 2012, the Board directed staff to work with appropriate federal cognizant agencies to obtain clear guidance on the applicability of these new regulations;

**WHEREAS**, staff has recently received written guidance that the HUD believes these regulations do apply to new construction involving federal funds administered by the Department;

**WHEREAS**, as staff believes that consistency in the construction requirements for all Multifamily Housing Developments will provide greater efficiencies for the State and greater certainty for the affected community and industry; and,

**WHEREAS**, U.S. DOJ has stated that the 2010 Standards are an acceptable construction standard for compliance with the accessibility requirements of §504 of the 1973 Rehabilitation Act.

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed, for and on behalf of the Department, to publish the proposed new 10 TAC Chapter 1, Subchapter B §§1.201–1.12, concerning Section 504 of the Rehabilitation Act of 1973 and The Fair Housing Act in the *Texas Register* for review and public comment and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

## **BACKGROUND**

The Department has not comprehensively updated its accessibility rules since February 2008. Since that time, there have been several new publications on accessibility requirements regarding reasonable accommodation and construction/alteration of accessible units, including but not limited to, JOINT STATEMENT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE DEPARTMENT OF JUSTICE *REASONABLE MODIFICATIONS UNDER THE FAIR HOUSING ACT*; JOINT STATEMENT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE DEPARTMENT OF JUSTICE *ACCESSIBILITY (DESIGN AND CONSTRUCTION) REQUIREMENTS FOR COVERED MULTIFAMILY DWELLINGS UNDER THE FAIR HOUSING ACT*; Service Animals and Assistance Animals for People with Disabilities in Housing and HUD-Funded Programs; Revised ADA Regulations on Title II and Title III; and Statement of the Department of Housing and Urban Development on the Role of Housing in Accomplishing the Goals of *Olmstead*.

These rules were previously located in Chapter 60, Subchapter B. However, to clarify that §504 and the Fair Housing apply to all Department programs, the rules are being moved to Chapter 1, Subchapter B and updated to reflect both federal guidance and provide clarification on Department construction requirements.

Staff recommends approval of this rule for publication in the *Texas Register* for public comment.

**Attachment 1. Preamble and proposed new 10 TAC Chapter 1, Subchapter B §§1.201– 1.212 concerning Section 504 of the Rehabilitation Act of 1973 and The Fair Housing Act.**

The Texas Department of Housing and Community Affairs (the “Department”) proposes new 10 TAC Chapter 1, Subchapter B, §§1.201- 1.212 concerning Section 504 of the Rehabilitation Act of 1973 and The Fair Housing Act. The purpose of this proposed new Subchapter is to provide guidance on applicability of and compliance with federal requirements and to provide consistency in the construction requirements for all Multifamily Housing Developments.

Section 1.201 clarifies that 504 and Fair Housing apply to all Department programs; Section 1.202 provides definitions of terms used in this Subchapter; Section 1.203 is the Department’s policy regarding nondiscrimination against persons with Disabilities; Section 1.204 is the Department’s Reasonable Accommodation Policy; Section 1.205 states that compliance with the Fair Housing Act’s design and construction requirements is HUD’s Fair Housing Act Design Manual; Section 1.206 sets out construction standards for Section 504 of the Rehabilitation Act of 1973; Section 1.207 sets out distribution requirements for Multifamily Housing Developments; Section 1.208 says that at least one of each type of Amenity must be accessible; Section 1.209 provides a definition of substantial alteration and starting January 1, 2014 applies to all Multifamily Housing Developments; Section 1.210 talks about alterations to existing Multifamily Housing Developments for awards before January 1, 2014; Section 1.211 states that the 5% and 2% of accessible units apply to the total number of units in the Development; Section 1.212 points the public to the Department’s website for additional information.

FISCAL NOTE. Timothy K. Irvine, Executive Director, has determined that, for each year of the first five years the new sections are in effect, enforcing or administering the new sections do not have any foreseeable implications related to costs or revenues of the state or local governments.

PUBLIC BENEFIT/COST NOTE. Mr. Irvine also has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the new sections will be compliance with federal requirements, consistency across Department programs, and improved access for persons with disabilities. Mr. Irvine has also determined that for new construction projects there will be no fiscal impact on project that are already otherwise subject to this federal requirement. With regard to developments utilizing low income housing tax credits, there is anticipated to be some additional costs but these costs are expected to be minimal and the project may utilize assistance to cover all or a portion of these costs for the benefits derived.

ADVERSE IMPACT ON SMALL OR MICRO-BUSINESSES. The Department has determined that there will not be an economic effect on small or micro-businesses that is different from that stated above.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held November 29, 2013 to December 30, 2013 to receive input on the proposed new sections. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Patricia Murphy, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or by fax to (512) 475-3140. ALL COMMENTS MUST BE RECEIVED BY 5:00 P.M. DATE.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

The proposed new section affects no other code, article, or statute.

TITLE 10                   COMMUNITY DEVELOPMENT  
PART 1                    TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CHAPTER 1                ADMINISTRATION  
SUBCHAPTER B   SECTION 504 OF THE REHABILITATION ACT OF 1973 AND THE FAIR  
HOUSING ACT

**§1.201. Purpose.**

(a) The purpose of this subchapter is to provide guidance regarding the requirements of §504 of the 1973 Rehabilitation Act and the Fair Housing Act by all recipients of awards from the Texas Department of Housing and Community Affairs ("the Department") including but not limited to:

- (1) Community Services Block Grant (CSBG);
- (2) Low Income Home Energy Assistance Program (LIHEAP) (including the two (2) programs utilizing this funding source: the LIHEAP Weatherization Assistance Program (LIHEAP WAP) and the Comprehensive Energy Assistance Program (CEAP))
- (3) Emergency Solutions Grant (ESG);
- (4) Housing Trust Fund (HTF);
- (5) Low Income Housing Tax Credit (LIHTC);
- (6) Multifamily Bond Programs;
- (7) Neighborhood Stabilization Program (NSP);
- (8) HOME;
- (9) Section 8;
- (10) Department of Energy Weatherization Assistance Program (DOE WAP); and
- (11) Homeless Housing and Services Program (HHSP).

(b) Unless otherwise indicated in the funding announcement, this subchapter does not apply to contracts for the procurement of goods or services by the Department.

**§1.202. Definitions.**

(a) The following terms are used for purposes of this subchapter:

(1) 2010 ADA Standards--the term 2010 ADA Standards refers to the 2010 ADA Standards for Accessible Design implementing Title II of the Americans with Disabilities Act of 1990, found at 28 CFR Part 35. This term includes both the Title II (28 CFR 35.151) and 2004 ADAAG (36 CFR Part 1991). If there is a conflict between 2004 ADAAG and Title II the requirements of Title II prevail.

(2) Accessible Route--A continuous unobstructed path connecting accessible elements and spaces in a facility or building that complies with the space and reach requirements of the applicable construction standard. (*Source: 24 CFR Subtitle A Subpart A §8.3 Definitions. Definition of Accessible Route*)

(3) Alteration--Any physical change in a facility or its permanent fixtures or equipment. It includes, but is not limited to, remodeling, renovation, rehabilitation, reconstruction, changes or rearrangements in structural parts and extraordinary repairs. It does not include normal maintenance or repairs, reroofing, interior decoration, or changes to mechanical systems. (*Source: 24 CFR Subtitle A Subpart A §8.3 Definitions. Definition of Alteration*)

(4) Disability--A physical or mental impairment that substantially limits one or more major life activities; or having a record of such an impairment; or being regarded as having such an impairment. Nothing in this definition requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others. Included in this meaning is the term



handicap as defined in the Fair Housing Act. (Source: 24 CFR Subtitle A Subpart A §8.3 Definitions. Definition of Individual with Handicaps. 24 CFR §§100.201, 202(d))

(5) Multifamily Housing Development--A project that includes five or more dwelling units. A project may consist of five single family homes, a single building with five or more units, or five or more units in multiple buildings each with one or more units. A project includes the whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots which are covered by a single contract or application, or which are treated as a whole for processing purposes, whether or not located on a common site. (Source: 24 CFR Subtitle A Subpart A §8.3 Definitions. Definition of multifamily housing project and definition of project;)

(6) Reasonable Accommodation—an accommodation and/or modification that is an alteration, change, exception, or adjustment to a program, service, building, dwelling unit, that will allow a qualified person with a Disability to:

- (A) Participate fully in a program;
- (B) Take advantage of a service;
- (C) Live in a dwelling; or
- (D) Use and enjoy a dwelling.

(7) Recipient--Includes a Subrecipient or Administrator and means any State or its political subdivision, any instrumentality of a State or its political subdivision, any public or private agency, institution, organization, or other entity, or any person to whom assistance or an award is extended for any program or activity directly or through another Recipient, including any successor, assignee, or transferee of a Recipient, but excluding the ultimate beneficiary of the assistance. Recipients include private entities in partnership with Recipients to own or operate a program or service. This term includes Development Owner.

(8) Replacement Cost--The total development cost for construction and equipment for a newly constructed housing facility of the size and type being altered. Construction and equipment costs do not include the cost of land, demolition, site improvements, non-dwelling facilities or administrative costs for project development activities. (Source: 24 CFR Subtitle A Subpart A §8.4 Definitions. Definition of replacement cost)

(b) Other capitalized words used herein have the meaning assigned in §10.3 of this title (relating to Definitions), or assigned by federal or state law.

### **§1.203. General Certifications and Effect of Non Compliance.**

(a) No individual with a Disability shall, by reason of their Disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any Department awarded program or activity.

(b) There are additional requirements for compliance with §504 of the 1973 Rehabilitation Act; Title VI of the Civil Rights Act of 1964; the Fair Housing Act; the Americans with Disabilities Act; and other civil rights laws, regulations and Executive Orders by Recipients of Department program or activities. This subchapter addresses only the requirements relating to physical accessibility in new construction, alterations, and reasonable accommodations under §504 and the Fair Housing Act. Other disability-related requirements include but are not limited to:

- (1) Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- (2) Providing auxiliary aids and services necessary for effective communication with persons with disabilities; and
- (3) Operating programs in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

(c) Compliance with accessibility requirements, including compliance with the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973, other civil rights laws, regulations and Executive Orders; and Chapters 2105 and 2306 of the Texas Government Code is the sole responsibility of the Recipient. By providing guidance and monitoring for compliance, the Department in no way assumes any liability whatsoever for any action or failure to act by the Recipient. (d) Failure to comply with the provisions of this subchapter may result in the assessment of administrative penalties and/or debarment.

#### **§1.204. Reasonable Accommodations.**

(a) To show that a requested Reasonable Accommodation may be necessary, there must be an identifiable relationship between the requested accommodation and the individual's Disability.

(b) When a resident or applicant requires an accessible unit, feature, space or element, or a policy modification, or other Reasonable Accommodation to accommodate a Disability, the Recipient must provide and pay for the requested accommodation, unless doing so would result in a fundamental alteration in the nature of the program or an undue financial and administrative burden. A fundamental alteration is an accommodation that is so significant that it alters the essential nature of the Recipient's operations. A Recipient that owns a LIHTC or Multifamily Bond Development with no federal or state funds awarded before September, 1 2001 must allow but need not pay for the Reasonable Accommodation, unless the accommodation requested should have been made as part of the original design and construction requirements under the Fair Housing Act.

(c) A Recipient may not charge a fee or place conditions on a resident or applicant in exchange for making the accommodation. For example, while housing providers may require applicants or residents to pay a pet deposit they may not require applicants and residents to pay a deposit for a service/assistance animal.

(d) A Reasonable Accommodation request of an individual with a Disability that amounts to an alteration should be made to meet the needs of the individual with a Disability, rather than any particular accessible code specification.

(1) Recipients are not required to make structural changes where other methods, which may not cost as much, are effective in making federally assisted housing programs or activities readily accessible to and usable by persons with Disabilities.

(2) In choosing among available methods for meeting the requirements of this section, the Recipient shall give priority to those methods that offer programs and activities to qualified individuals with Disabilities in the most integrated setting appropriate.

(3) Undue burden.

(A) The determination of undue financial and administrative burden will be made by the Department on a case-by-case basis, involving various factors, such as the cost of the reasonable accommodation, the financial resources of the Development, the benefits the accommodation would provide to the requester, and the availability of alternative accommodations that would adequately meet the requester's Disability-related needs. *(For more examples of undue financial and administrative burden, see HUD Handbook 4350.3, Exhibit 2-6.)*

(B) In considering whether an expense would constitute an undue burden:

(i) Payment for alterations from operating funds, residual receipts accounts, or reserve replacement accounts must be sought using appropriate approval procedures.

(ii) The approved amount must normally be able to be replenished through property rental income within one year without a corresponding raise in rental rates.

(iii) A projected inability to replenish an operating fund account or the reserve for replacement account within one year for funds spent in providing alterations under this subchapter is some evidence

that the Alteration would be an undue financial and administrative burden. (*Source: HUD Handbook 4350.3, §2-43(C), and §2-43(D, Example A)*)

(C) If providing accessibility would result in an undue financial and administrative burden, the recipient must still take other reasonable steps to achieve accessibility.

(D) If a structural change would constitute an undue financial and administrative burden, and the tenant still wants that particular change to be made, the tenant must be allowed to make and pay for the accommodation. (*Source: HUD Handbook 4350.3, §2-45*)

(4) Recipients are not required to install an elevator solely for the purpose of making units accessible. (*Source: HUD Handbook 4350.3, §2-37(E)*)

(5) Recipients do not have to make mechanical rooms and similar spaces accessible when, because of their intended use, they do not require accessibility by the public, by tenants, or by employees with physical disabilities. (*Source: HUD Handbook 4350.3, §2-37(D)*)

(6) Recipients are not required to make building alterations that have little likelihood of being accomplished without removing or altering a load-bearing structural member. (*Source: 24 CFR §8.32(c), HUD Handbook 4350.3, §2-37(B)*).

(d) If a Recipient refuses to provide a requested accommodation because it is either an undue financial and administrative burden or would result in a fundamental alteration to the nature of the program, the Recipient must make a reasonable attempt to engage in an interactive dialogue with the requester to determine if there is an alternative accommodation that would adequately address the requester's Disability-related needs. If an alternative accommodation would meet the individual's needs and is reasonable, the Recipient must provide it.

(1)EXAMPLE: A resident requires an accessible parking space that will accommodate her wheelchair-equipped van. A Reasonable Accommodation includes relocating and enlarging an existing parking space that will serve the van.

(2)EXAMPLE : A colonia self-help center operates a tool lending program. The tools are located on the second floor of a building with no elevator. As an alternative to installing a lift or elevator, center staff may retrieve tools for residents who use wheelchairs. The aides must be available during the operating hours of the center.

(3)EXAMPLE: A family has a young child with asthma. A certain sealant used by a weatherization provider has been known to trigger asthma attacks. The weatherization provider should see if a comparable sealant could be used that would not trigger asthma.

(4)EXAMPLE: A Development has five parking spaces located outside the main entrance to the building and another parking lot with 20 spaces a half block away. All five of the parking spaces near the entrance to the building have been assigned to residents with Disabilities who need a parking space near their door because of their Disabilities. A sixth tenant with difficulty in walking long distances moves into the Development and requests a parking space near his door. The Recipient has explored the options and concluded that the only way to provide more parking spaces near the door would be to widen the parking area by purchasing valuable real estate next door. It would be an undue financial and administrative burden for the Recipient to provide the sixth tenant with a parking space near the entrance. An alternative accommodation could be to provide the sixth tenant with an assigned parking space in the lot half block away until such time as one of the five spaces near the door becomes available.

(5) EXAMPLE: A resident needs grab bars at the toilet in her bathroom. She does not require other accessible features. The Recipient must install grab bars consistent with the resident's needs in the bathroom.

(6) EXAMPLE: A resident needs a ramped entrance to her ground floor unit to accommodate her wheelchair. She does not wish to move to an accessible unit. The Recipient must provide an accessible entrance at the resident's current unit, unless it would be an undue financial and administrative hardship or a fundamental alteration of the program to do so.

(7) EXAMPLE: A resident uses a scooter type wheelchair which is 38 inches in width. She requests a ramp to enter her ground floor unit. The ramp which she requests must be at least 40 inches wide, it must have a slope of no more than 3%, and the landing at the front door, which opens outward, must be enlarged to provide adequate maneuvering space to enter the doorway. The changes must be provided, even though they may exceed the usual specifications for such alterations.

(8) EXAMPLE: A resident with quadriplegia requests replacement of a bathtub in his unit with a roll-in shower. Due to the location of existing plumbing in the building and the size of the existing bathroom, a plumber confirms that installation of a roll-in shower in that unit is impossible. The on-site manager should meet with the resident to explain why the roll-in shower cannot be installed and to explore alternative accommodations with the resident.

(h) Recipients must follow federal regulations regarding service/assistance animals.

### **§1.205. Compliance with the Fair Housing Act.**

(a) Generally, housing designed and constructed for first occupancy after March 13, 1991 must comply with the Fair Housing Act.

(b) Compliance with the Fair Housing Act makes it unlawful to discriminate based on a person's disability, race, color, religion, sex, familial status, or national origin unless there is an exception in federal law.

(c) Although HUD recognizes seven safe harbors for compliance with the design and construction requirements, the Department requires compliance with HUD's Fair Housing Act Design Manual.

### **§1.206. Applicability of the Construction Standards for Compliance with Section 504 of the Rehabilitation Act of 1973.**

(a) The following types of Multifamily Housing Developments must comply with the construction standards of Section 504 of the Rehabilitation Act of 1973, as further defined through the Uniform Federal Accessibility Standards (UFAS):

(1) New construction and reconstruction HOME and NSP Multifamily Housing Developments that began construction before March 12, 2012;

(2) Rehabilitation HOME and NSP Multifamily Housing Developments awarded funding before January 1, 2014; and

(3) All Housing Tax Credit and Tax Exempt Bond Developments awarded after September 1, 2001 and before January 1, 2014.

(b) The following types of Multifamily Housing Developments must comply with the construction requirements of 2010 ADA standards:

(1) New construction and reconstruction HOME and NSP Multifamily Housing Developments that began construction after March 12, 2012;

(2) Rehabilitation HOME and NSP Multifamily Housing Developments awarded funding after January 1, 2014; and

(3) All Housing Tax Credit and Tax Exempt Bond Developments awarded after January 1, 2014.

(c) After March 12, 2012, Recipients of Emergency Solutions Grant and Homeless Housing and Services Program funds must comply with the 2010 ADA Standards.

### **§1.207. General Requirements for Multifamily Housing Developments.**

(a) All units that are accessible to persons with mobility impairments must be on an Accessible Route. (Source: HUD Handbook 4350.3, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, §2-22(C)(4))

(b) Recipients must give priority to methods that offer housing in the most integrated setting possible (i.e., a setting that enables qualified persons with disabilities and persons without Disabilities to

interact to the fullest extent possible). To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

- (1) Distributed throughout the Development and site; and
- (2) Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program. (*Source: 24 CFR §8.26*)

EXAMPLE 206(1): A Development has 80 units with a total of 4 mobility accessible units, meeting the 5% requirement ( $80 \times 5\% = 4$ , always rounded up if not a whole number). The bedroom mix includes 15 one-bedroom/ one bath units ( $15 \times 5\% = .75$  accessible units), 25 two-bedroom/one bath units ( $5\% = 1.25$  accessible units), 25 two-bedroom/two bath units ( $5\% = 1.25$  accessible units) and 15 four-bedroom units/two bath ( $5\% = .75$  accessible unit). The mobility accessible unit requirement is met with 4 accessible units, and the distribution requirement is met with each of the bedroom/bath types having one accessible unit.

EXAMPLE 206(2): A Development has 60 units with a total of 3 mobility accessible units, meeting the 5% requirement. The bedroom mix includes 10 one-bedroom/one bath units ( $5\% = .5$  units), 20 two-bedroom/two bath units ( $5\% = 1$  accessible unit), 20 three-bedroom/two bath units ( $5\% = 1$  accessible unit), and 10 four-bedroom/two bath units ( $5\% = .5$  accessible unit). Because this development is not required to provide more than 3 mobility units, only 3 of the 4 bedroom types are required to provide 1 accessible unit. In this case, the Development provides an accessible two-bedroom and three-bedroom unit, and has the option of providing either an accessible one-bedroom or an accessible four-bedroom unit to meet the 3 unit minimum requirement.

EXAMPLE 206(3): A Development with several buildings must not have all of its accessible units in one building, but, to the maximum extent feasible, the accessible units must be distributed throughout the Development.

(c) Multifamily Housing Developments covered by this subchapter and built after July 11, 1988 must have a minimum of 5% of the units that are fully accessible and an additional 2% that are accessible to persons with visual and hearing impairments. This obligation is an absolute requirement. For buildings that fall within this category, a Development Owner may not justify a failure to have met these requirements because of an undue financial and administrative burden. This requirement also applies to units that are newly constructed to replace demolished or uninhabitable units.

### **§1.208. Public and Common Use Areas in Multifamily Housing Developments.**

(a) Development Owners must make common use facilities, or parts of facilities, and public spaces accessible to persons with Disabilities, as long as such improvements would not result in an undue financial and administrative burden. This requirement applies regardless of the date of construction of the Development. This responsibility means that Recipients must do everything feasible to make these areas accessible up to the point at which any further modifications or improvements would result in an undue financial and administrative burden. Public spaces include, but are not limited to, community rooms, laundry and trash rooms, parking spaces, entrances, sidewalks, public restrooms, and the management office.

(b) Development Owners are not required to make each location of an amenity or facility accessible to persons with mobility impairments. If only one entrance or amenity is made accessible, it must be accessible to tenants with mobility impairments who live in any part of the Development on the same terms that the entrance or amenity is made available to persons without Disabilities.

(1) EXAMPLE: If a Development has multiple buildings with two laundry rooms located in two different central areas, only one laundry room need be made accessible.

(2) EXAMPLE: Each building has its own laundry room for use by the residents of the building. Each laundry room must be made accessible, so that tenants with mobility impairments do not have to go out

in inclement weather to do their laundry, when residents without disabilities may do their laundry in their building.

(c) The Recipient must make one-of-a kind amenities or facilities accessible and usable to persons with Disabilities.

### **§1.209. Substantial Alteration of Multifamily Housing Developments.**

(a) When a Recipient undertakes Alterations to one or more structural elements in a Development that contains fifteen or more units, which was built before July 11, 1988 and which lacks the required minimum of 5% of units that are accessible to persons with mobility impairments, it must meet accessibility requirements. If the total cost of the alterations is 75% or more of the Replacement Cost of the completed property, then the Recipient must make a minimum of 5% of the units in the property accessible for persons with mobility impairments, and a minimum of 2% of the units accessible for persons with visual and hearing impairments. *(Source: 24 CFR §8.23-(a). EXAMPLE): The total development cost for a planned alteration of a 40 unit apartment building with no accessible unit amounts to \$80,000 per unit and the Replacement Cost per unit is \$100,000. Because the cost of the alterations is more than 75% of the Replacement Cost of the unit, the Recipient must make a minimum of 5% of the 40 units, or at least two, of the units accessible to persons with mobility impairments and at least 2%, or one unit, accessible to people with visual and hearing impairments.* (b) All Rehabilitation of Multifamily Housing Developments awarded after January 1, 2014, will be treated as substantial alternation.

### **§1.210. Renovation of Elements for Multifamily Housing Developments.**

(a) This subsection is not applicable for Developments awarded after January 1, 2014.

(b) When a Recipient has a Development which was built before July 11, 1988 and that contains five or more units but lacks the required 5% of units that are accessible to people with mobility impairments, when the recipient undertakes Alterations to a structural element that are not substantial as defined in §1.209 of this subchapter.

(1) Those Alterations must be accessible, to the maximum extent feasible, until at least 5% of the units are fully accessible for persons with mobility impairments. If the 5% requirement is met, no other structural Alterations are required to units except to provide reasonable accommodations to individuals with disabilities.

(2) If Alterations of single elements (such as replacement of a bathtub or a door) or spaces (such as kitchens or bathrooms) occur in a single unit and when the alterations are considered as a group amount to an alteration of the entire unit, the Recipient must make the entire dwelling unit accessible until 5% of the units are accessible to persons with mobility impairments.

(3) When the Recipient is not altering the entire unit, all of the single elements or spaces that are being altered must be made accessible unless at least 5% of the units in the project already comply fully with the UFAS, requirements for persons with mobility impairments. If at least 5% of the units comply with UFAS, no additional single elements need be made accessible except to provide Reasonable Accommodation for an individual with a Disability.

(4) Recipients are encouraged to examine existing units for compliance with UFAS and ensure that at least 5% of the units in a property are accessible. When at least 5% of the units comply with UFAS requirements for accessibility, individual elements need not comply with accessibility requirements when they are altered.

(5) Recipients are encouraged, but not required, to make at least an additional 2% of the units being altered comply with UFAS requirements for persons with hearing and vision impairments, if such units do not already exist.

(6) Completion of minor maintenance required to maintain a property in a decent, safe and sanitary condition is generally considered to be normal. (24 CFR §8.3, *Definition of Alteration*)

(A) EXAMPLE: A Development is remodeling all of the bathrooms throughout the property by replacing plumbing, fixtures, and cabinets. Remodeling the bathroom is an alteration to a space. Unless the property already has a minimum of 5% of its units that comply with UFAS to serve people with mobility impairments, 100% of the bathrooms remodeled must be made accessible until the property has a minimum of 5% of its units compliant with UFAS.

(B) EXAMPLE: A Development is remodeling all of the kitchens throughout a property by replacing stoves and refrigerators. Because this is not an alteration to a structural element, no structural elements must be made accessible.

(C) EXAMPLE: A Development is renovating its heating system by replacing furnaces, ductwork and vents. This is not an alteration that triggers compliance with this section because it is the replacement of a mechanical system.

(D) EXAMPLE: A Development has 100 units and 6 of the units are for persons with mobility impairments. They comply with UFAS and are on an Accessible Route. The property is remodeling all of the bathrooms throughout the property by replacing plumbing, fixtures, and cabinets. None of the remodeled bathrooms need be made accessible because the property already has at least 5% of its units that comply with UFAS.

(E) EXAMPLE: A Development that was built before 1988 has 100 units and none of them comply with the UFAS requirements. The Development is replacing all of the roofs as part of regularly scheduled maintenance and repair. No units are required to be made accessible because the work being performed is regular maintenance and repair. Reroofing is specifically not considered an alteration.

(F) EXAMPLE: A Development has 100 units and only three of those units (or 3%) comply with UFAS for persons with mobility impairments. The property is renovating 10 units, but the cost of renovation is only 50% of the cost of replacing the completed property, so this is not a substantial alteration. Because the entire unit is being renovated, two of the renovated units must comply with UFAS in order to provide a minimum of 5% of the total number of units that are accessible to people with mobility impairments.

### **§1.211. Additions of Units to Existing Multifamily Housing Developments.**

A Development consisting of existing multifamily housing units, together with one or more newly constructed multifamily housing units that are structurally attached to the existing housing, shall be designed and constructed to provide accessibility to persons with Disabilities, as follows:

(1) The Development including the existing units and the newly constructed units in an addition must, when taken as a whole after the construction of the additional units, have at least 5% of units that are accessible for persons with mobility impairments and at least 2% of its units that are accessible for persons with sensory impairments.

(2) All accessible units must be on an Accessible Route, and must comply with new construction standards.

### **§1.212. Resources.**

Materials on the Department's website are available as resources for the underlying topic of this Subchapter.

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To Be Posted 3 Days  
Prior to the Board Meeting

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**BOARD ACTION REQUEST**  
**ASSET ANALYSIS & MANAGEMENT DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements, and an order adopting the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements, and directing its publication in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, at its September 2013 meeting the Board approved for publication and public comment in the *Texas Register*, the proposed repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements. The proposed repeal was published in the *Texas Register* on September 27, 2013.

**WHEREAS**, at its September 2013 meeting the Board approved for publication and public comment in the *Texas Register*, the proposed new rule 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements. The proposed new rule was published in the *Texas Register* on September 27, 2013. Public comment was accepted through October 21, 2013. Staff received comments from two commenter's and incorporated those non-substantive changes into the proposed final rule for adoption; and

Now therefore it is hereby,

**RESOLVED**, that the repeal and adoption of the proposed new 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements are hereby ordered and approved, together with the preambles presented to this meeting, for publication 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 repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements, and an order adopting the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, concerning Post Award and Asset Management Requirements §§10.400 – 10.408, 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's current rules regarding Post Award and Asset Management Requirements are part of the Uniform Multifamily Rules at 10 TAC, Chapter 10. This Subchapter describes all activities that occur for multifamily developments after an award or funding decision has been made. The new proposed rule clarifies and corrects information in all sections to ensure accurate processing of post award activities and more effective communication with multifamily development owners regarding their responsibilities after funding or award by the Department.

The new proposed rule was published in the September 27, 2013, issue of the *Texas Register* to allow for public comment. The rule was also posted to the TDHCA website on the same date. A consolidated public hearing was held on October 1, 2013. No comments were made during this hearing. The public comment period closed on October 21, 2013. Comments were received from two people. Based on those comments, Staff has incorporated changes into the rule proposed today for final adoption.

Attachment A includes the Preamble, Reasoned Response, and Adoption of the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements for publication in the *Texas Register*. Attachment B includes the Preamble, Reasoned Response, and Adoption of the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements for publication in the *Texas Register*.

**Attachment A: Preamble, Reasoned Response, and Repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements.**

The Texas Department of Housing and Community Affairs (the "Department") adopts the repeal of 10 TAC, Chapter 10, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements as published in the September 27, 2013 issue of the *Texas Register* (38 TexReg 6402).

REASONED JUSTIFICATION. This repeal was published concurrently with the proposed adoption of the new 10 TAC, Chapter 10, Subchapter E, §§10.400 – 10.408. The purpose of the repeal is to allow for the rewrite of major portions of the rule.

The Department accepted public comments between September 27, 2013 and October 21, 2013. Comments regarding the repeal were accepted in writing via fax and email. No comments were received concerning the proposed repeal.

The Board approved the final order adopting the repeal on November 7, 2013.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules. Specifically Texas Government Code §2306.141 gives the Department the authority to promulgate rules governing the administration of its housing programs. The proposed repeal affects no other code, article or statute.

§10.400. Purpose.

§10.401. General Commitment or Determination Notice Requirements and Documentation.

§10.402. Housing Tax Credit and Tax Exempt Bond Developments.

§10.403. Direct Loans.

§10.404. Reserve for Replacement Requirements.

§10.405. Amendments and Extensions.

§10.406. Ownership Transfers (§2306.6713).

§10.407. Right of First Refusal.

§10.408. Qualified Contract Requirements.

**Attachment B the Preamble, Reasoned Response, and Adoption of the new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements for publication in the *Texas Register*.**

The Texas Department of Housing and Community Affairs (the "Department") adopts the new 10 TAC Chapter 10, Subchapter E, §§10.400 -10.408, concerning Post Award and Asset Management Requirements with changes to the proposed text as published in the September 27, 2013 issue of the *Texas Register* (38 TexReg 6402) in sections 10.402, 10.404, 10.406 and 10.407 which will be republished. No changes were made to sections 10.400, 10.401, 10.403, 10.405 and 10.408 and these sections will not be republished. The purpose of the changes to the sections is to clarify and correct information from the prior rule to ensure accurate processing of post award activities and communicate more effectively with multifamily development owners regarding their responsibilities after funding or award by the Department.

REASONED JUSTIFICATION FOR THE RULE. This proposed new 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter E, §§10.400 – 10.408, concerning Post Award and Asset Management Requirements was published concurrently with the proposed repeal of the same section. The new rule clarifies language that was previously potentially causing uncertainty and will ensure accurate processing of post award activities and communicate more effectively with multifamily development owners regarding their responsibilities after funding or award by the Department.

REASONED RESPONSE TO PUBLIC COMMENT AND STAFF RECOMMENDATIONS. The Department's response to all comments received are set out below. 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.

Public comments were accepted through October 21, 2013, with two comments received in writing from: (1) Michael Nguyen, Atlantic Housing Foundation, Inc., and (2) Cynthia Bast, Locke Lord LLP.

**COMMENT SUMMARY:**

Section 10.404 Reserve Accounts

Commenter #2 suggested that the language be clarified as to the intent of the Department to be notified in the event of any activity involving escrow agreements for the maintenance of reserve funds and recommends the following amendment to subsection (c):

“In addition, the Department should be listed as a party to be notified in the event of any activity involving escrow agreements for the maintenance of reserve funds receive notice under any replacement reserve agreement entered into by the Development Owner.”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested that the term “Non-Compliance”, used in subsection (e), should be consistent with its use in Subchapter F and recommended clarifying language.

STAFF RESPONSE: Staff agrees with the commenter and has made the following change:

“If the Development Owner fails to comply with the replacement reserve account requirements stated herein, and request for extension or waiver of these requirements is not approved by the Department, then a penalty of up to \$200 per dwelling Unit in the Development and/or characterization of the Development as being in ~~Non-Compliance~~ default with this requirement, may be imposed.”

Commenter #2 suggested that in subsection (e)(5), the term “contract for” be changed to “obtain” which would clarify that the Development Owner must obtain a third party Property Condition Assessment and not just contract to obtain it. The amendment would be revised as follows:

“(5) Development Owner fails to ~~contract for~~ obtain a ~~the~~ Third-Party Property Condition Assessment as required under this section;

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested that the initial statement in this section is “not entirely clear” as to when this analysis is completed and suggested the following amendment to subsection (h):

“The Department will consider a reasonable operating reserve account deposit ~~in the analysis of~~ when analyzing total development cost or balance sheet of a Development under Subchapter D.”

STAFF RESPONSE: Staff generally agrees with the commenter that clarification is needed in this section and has added the following:

“(h) Operating Reserve Account. At various stages during the application, award process, and during the operating life of a Development, the Department will conduct a financial analysis of the Development’s total development costs and operating budgets, including the estimated operating reserve account deposit required. For example, this analysis occurs at application and cost certification review. The Department will consider a reasonable operating reserve account deposit ~~in the~~ this analysis based on the needs of the Development and requirements of other lenders or investors. ~~of total development cost or balance sheet.~~”

#### Section 10.405 Amendments and Extensions

Commenter #2 suggested that “the rules allow for certain extensions associated with the commitment notice” and that this should be added into subsection (d). For consistency across the body of rules, the commenter recommends the following amendment:

“Extensions must be requested if the original deadline associated with a commitment notice, carryover, the 10 Percent Test (including submission and expenditure deadlines), or cost certification requirements will not be met.”

STAFF RESPONSE: Staff disagrees with the commenter in adding the commitment notice extension to §10.405(d). Staff recognizes that the provision for the commitment notice extension as

written in the 2013 rules was problematic, due to timing issues, for both the development community and staff. Therefore, staff recommends a change to §10.402(a) as follows:

“10.402(a) Commitment. For Competitive HTC Developments the Department shall issue a Commitment to the Development Owner which shall confirm that the Board has approved the Application and state the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described in Subchapter D of this chapter (relating to Underwriting and Loan Policy) and that the Development satisfies the requirements of this chapter and other applicable Department rules. The Commitment shall expire on the date specified therein, which shall be thirty (30) calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Commitment, pays the required fee specified in §10.901 of this chapter (relating to Fee Schedule), and satisfies any conditions set forth therein by the Department. The Commitment expiration date may not be extended, ~~without prior Board approval for good cause.~~”

#### Section 10.406 Ownership Transfers

Commenter #2 suggested that clarification is needed in subsection (a) regarding the requirement that ownership transfer rules apply to transfers of controlling interests, generally in the form of a general partner interest, as well as outright transfer of fee simple title. Commenter #2 suggested the following change:

“All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development.

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested that language in subsection (b) is “confusing and could be clarified” by making the following changes:

“Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer, ~~except where the transfer is an Affiliate of the Development Owner, if such entity contains no new members, or a non Controlling Related Party for estate planning purposes.~~ The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested that clarification is needed in subsection (c) to be consistent with the change recommended to subsection (b) as follows:

“~~Transfers (other than to an Affiliate or non Controlling Related Party for estate planning purposes included in the ownership structure~~ those that do not require Executive director



approval, as set forth above) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.).”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested that the word “Qualified Non-Profit Organization is a defined term and refers to the statutory requirement to fit within the non-profit set-aside for Tax Credits and that not every non-profit organization participating in a Development fits into this definition. Commenter #2 further went on to explain that just because a non-profit is materially participating does not mean that the Development was awarded from the non-profit set-aside. The purpose of this rule should be to assure that any non-profit leaving the ownership of a Development is replaced by an equivalent non-profit. Therefore, the following change is recommended for subsection (d):

“(d) Non-Profit Organizations. If the ownership transfer request is to replace a ~~qualified~~ non-profit organization within the Development Ownership entity, the replacement non-profit entity must adhere to the requirements in paragraphs (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, ~~pursuant to §42(h)(5) of the Code, the Owner must comply with Code requirements and affirmatively document that the allocation would have been made to the Development Owner regardless of the set aside election or, the Owner will be required to meet the additional requirements for application in the non-profit set aside outlined in 2306.6706 and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706 .~~

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, ~~pursuant to §42(h)(5) of the Code and §2306.6706 of the Texas Government Code, the Owner must comply with both regulatory requirements but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.”~~

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 indicated that subsection (e)(3) is confusing when the typical controlling ownership interest of a general partner entity is 0.01% and suggested that clarification regarding this statement is needed. Commenter #2 suggested the following change:

“(e) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10% or greater in any Principal or Controlling entity;”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

#### Section 10.406(f)

Commenter #2 suggested that it may be helpful to provide a cross-reference to Section 1.5 for purposes of context.

STAFF RESPONSE: Staff agrees with the commenter and has made the following change:

“(f) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall ~~conduct~~ initiate a qualifications review of a transferee, in accordance with Section 1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.”

#### Section 10.407 Right of First Refusal (ROFR)

Commenter #1 suggested that the definition of a Qualified ROFR Organization should be expanded to include Internal Revenue Code §42(h)(5)(D) reasoning that this definition “anticipates and recognizes projects involving qualified nonprofit organizations” in the ownership structure and “is consistent with the rule and would allow qualified nonprofits to better compete for ROFR transactions”.

STAFF RESPONSE: Staff disagrees with the commenter. The language in previous QAPs granting a point for providing a ROFR to a non-profit organization was exclusive of §42(h)(5)(C) of the Code and codified in the LURA. Throughout this section of the rule, the Department emphasizes that a ROFR request must be made in accordance with the LURA for the Development. The ROFR section of a Development's LURA references only §42(h)(5)(C) of the Code and therefore, the Development must be offered to an entity that meets the requirements of this section only.

Commenter #2 suggested, in subsection (a), that the term “Qualified ROFR Organization”, being eligible to receive a right of first refusal, should be used consistently. At the end of the section, the term “non-profit organization” is used and this should be revised to be consistent.

“In addition, ownership transfers to a ~~non-profit organization~~ Qualified ROFR Organization during the ROFR period are subject to 10 TAC, Chapter 1, Subchapter A, Rule §1.5 Previous Participation Reviews.

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 also suggested, in subsection (a), that the last two sentences could be clarified to better reflect the intent of the section. Commenter #2 recommended the following revision:

~~“Properties that have been determined by staff to have a pattern of non-compliance that wish to pursue the acquisition of a Department administered Property may appeal to the Board regarding the denial of such transfer by the Executive Director. A Qualified ROFR Organization that wishes to pursue the acquisition of a Development through a ROFR but that is not approved for transfer under the Previous Participation Review, pursuant to Section 1.5 of this title, may appeal the denial to the Board. Satisfying the ROFR requirement does not terminate the LURA or the ongoing application of the ROFR requirement to any subsequent Development Owner.”~~

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested the addition of a cross reference to the appraisal requirements in Section 10.304 of this title to ensure consistent quality of the document and recommends the following amendment to subsection (b)(1):

“(1) Fair Market Value is established using either a current appraisal (completed within three months prior to the ROFR request and in accordance with §10.304 of this title) of the Property or an executed purchase offer that the Development Owner would like to accept.”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested the following clarification to elaborate that the Development Owner may wish to sell to a party that is not a for-profit entity, such as a housing authority) but that is not a Qualified ROFR Organization and recommended the following amendment to subsection (c)(1):

“(1) upon the Development Owner's determination to sell the Development to ~~a for-profit entity~~ an entity other than a Qualified ROFR Organization, the Development Owner shall provide a notice of intent to the Department and to such other parties as the Department may direct at that time.”

STAFF RESPONSE: Staff agrees with the commenter and this change has been incorporated.

Commenter #2 suggested the term “Qualified ROFR Organization should be used consistently and should replace any reference to Qualified Non-Profit Organization which is specifically defined to include requirements that are not specifically applicable to the ROFR. Commenter #2 recommended the following amendment to subsection (c)(1):

“(A) If the LURA identifies a Qualified ~~Nonprofit~~ ROFR Organization or tenant organization ~~that has a limited priority in exercising a ROFR to purchase the Development with which the Development Owner has contracted to satisfy the ROFR requirement and documented in the LURA~~, the Development Owner must first offer the Property to this entity. If the ~~nonprofit~~ entity does not purchase the Property, this denial of offer must be in writing and submitted to the Department along with the notice of intent to sell the Property. The Department will determine from this documentation whether the ROFR requirement has been met. In the event that ~~this~~ the organization is not operating or in existence when the ROFR is to be made, the ROFR must be

provided to another Qualified ~~Nonprofit~~ ROFR Organization. Upon review and approval of the notice of intent and denial of offer letter, the Department may notify the Development Owner in writing that the ROFR requirement has been satisfied. Upon receipt of written notice, the Development Owner may pursue the Qualified Contract process or proceed with the sale to a ~~for-profit~~ another buyer at or above the posted price;”

STAFF RESPONSE: Staff generally agrees with the commenter. Staff agrees that the term Qualified ROFR Organization should be used consistently throughout the rule and recommends making this change. However, Staff left the original language of “that has a limited priority in exercising a ROFR to purchase the Development” since the recommended revision does not change the intent of this sentence and the inclusion of that phrase adds clarity to the sentence. Staff made the following change to (c)(1):

“(A) If the LURA identifies a Qualified ~~Nonprofit~~ ROFR Organization ~~or tenant organization~~ that has a limited priority in exercising a ROFR to purchase the Development, the Development Owner must first offer the Property to this entity. If the nonprofit entity does not purchase the Property, this denial of offer must be in writing and submitted to the Department along with the notice of intent to sell the Property. The Department will determine from this documentation whether the ROFR requirement has been met. In the event that ~~this~~ the organization is not operating or in existence when the ROFR is to be made, the ROFR must be provided to another Qualified ~~Nonprofit~~ ROFR Organization. Upon review and approval of the notice of intent and denial of offer letter, the Department may notify the Development Owner in writing that the ROFR requirement has been satisfied. Upon receipt of written notice, the Development Owner may pursue the Qualified Contract process or proceed with the sale to a ~~for-profit~~ another buyer at or above the posted price;

The Board approved the final order adopting the new sections on November 7, 2013.

STATUTORY AUTHORITY. The new sections were adopted pursuant to the authority of Texas Government Code, §2306.053, which authorizes the Department to adopt rules. Specifically Texas Government Code §2306.141 gives the Department the authority to promulgate rules governing the administration of its housing programs. The proposed adoption affects no other code, article or statute.

#### *§10.400.Purpose.*

The purpose of this subchapter is to establish the requirements governing the post award and asset management activities associated with awards of multifamily development assistance pursuant to Texas Government Code, Chapter 2306 and its regulation of multifamily funding provided through the Texas Department of Housing and Community Affairs (the "Department") as authorized by the legislature. This subchapter is designed to ensure that Developers and Development Owners of low-income Developments that are financed or otherwise funded through the Department maintain safe, decent and affordable housing for the term of the affordability period. Therefore, unless otherwise indicated in the specific section of this

subchapter, any uncorrected issues of noncompliance outside of the Corrective Action Period or outstanding fees (related to the Development subject to the request) owed to the Department, must be resolved before a request for any post award activity described in this subchapter will be completed.

*§10.401. General Commitment or Determination Notice Requirements and Documentation.*

(a) A Commitment or Determination Notice shall not be issued with respect to any Development for an unnecessary amount or where the cost for the total development, acquisition, construction or rehabilitation exceeds the limitations established from time to time by the Department and the Board, unless staff makes a recommendation that is clearly documented to the Board based on the need to fulfill the goals of the applicable multifamily program as expressed herein and other applicable Department rules, and the Board accepts the recommendation.

(b) All Commitments or Determination Notices, whether reflected in the Commitment or Determination Notice or not, are made subject to full compliance with all provision of law and rule, including compliance with the Qualified Allocation Plan, the Uniform Multifamily Rules, the Multifamily Housing Revenue Bond Rules, completion of underwriting and satisfactory compliance with the results thereof, full and satisfactory addressing of any Administrative Deficiencies and conditions of award, Commitment, Contract or any other matters.

(c) The Department shall notify, in writing, the mayor, chief county judge, or other appropriate official of the municipality or county, as applicable, in which the Development is located informing him/her of the Board's issuance of a Commitment or Determination Notice, as applicable.

(d) The Department may cancel a Commitment, Determination Notice or Carryover Allocation prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or completion of construction with respect to a Development and/or apply administrative penalties if:

(1) the Applicant or the Development Owner, or the Development, as applicable, fails after written notice and a reasonable opportunity to cure to meet any of the conditions of such Commitment, Determination Notice or Carryover Allocation or any of the undertakings and commitments made by the Development Owner in the Application process for the Development;

(2) any material statement or representation made by the Development Owner or made with respect to the Development Owner or the Development is untrue or misleading;

(3) an event occurs with respect to the Applicant or the Development Owner which would have made the Application ineligible for funding pursuant to Subchapter C of this chapter (relating to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules or Pre-Clearance for Applications) if such event had occurred prior to issuance of the Commitment, Determination Notice or Carryover Allocation; or

(4) the Applicant or the Development Owner or the Development, as applicable, fails after written notice and a reasonable opportunity to cure to comply with this chapter or other applicable Department rules or the procedures or requirements of the Department.

(e) Direct Loan Commitment. The Department shall execute, with the Development Owner, a Commitment which shall confirm that the Board has approved the loan and provide the loan terms. The Commitment may be abbreviated and will generally not express all terms and conditions that will be included in the loan documents. Department staff may choose to issue an "Award Letter" in lieu of a Commitment in instances in which a Federal Commitment cannot be made until loan closing or until all financing is secured. An Award Letter is subject to all of the same terms and conditions as a Commitment except that it may not constitute a Federal Commitment. For HOME Direct Loans, an actual Federal Commitment may not occur in the HUD IDIS system until all financing is secured or loan closing, whichever comes first, at which time all terms and conditions will be included in the loan documents. The Award Letter shall list an expiration date no earlier than thirty (30) days from the date issued by the Department unless signed and returned. To the extent the terms reflected in an Award Letter are amended, a new Award Letter would be issued by the Department.

*§10.402.Housing Tax Credit and Tax Exempt Bond Developments.*

(a) Commitment. For Competitive HTC Developments the Department shall issue a Commitment to the Development Owner which shall confirm that the Board has approved the Application and state the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described in Subchapter D of this chapter (relating to Underwriting and Loan Policy) and that the Development satisfies the requirements of this chapter and other applicable Department rules. The Commitment shall expire on the date specified therein, which shall be thirty (30) calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Commitment, pays the required fee specified in §10.901 of this chapter (relating to Fee Schedule), and satisfies any conditions set forth therein by the Department. The Commitment expiration date may not be extended, ~~without prior Board approval for good cause.~~

(b) Determination Notices. For Tax Exempt Bond Developments the Department shall issue a Determination Notice which shall confirm the Board's determination that the Development satisfies the requirements of this chapter as applicable and other applicable Department rules in accordance with the §42(m)(1)(D) of the Internal Revenue Code (the "Code"). The Determination Notice shall also state the Department's commitment to issue IRS Form(s) 8609 to the Development Owner in a specified amount, subject to the requirements set forth in the Department's rules, as applicable. The Determination Notice shall expire on the date specified therein, which shall be thirty (30) calendar days from the effective date, unless the Development Owner indicates acceptance by executing the Determination Notice, pays the required fee specified in §10.901 of this chapter and satisfies any conditions set forth therein by the Department. The Determination Notice expiration date may not be extended without prior Board approval for good cause. The Determination Notice will terminate if the Tax Exempt Bonds are not closed within the timeframe provided for under the Certificate of Reservation by which the

Application was approved or if the financing or Development changes significantly as determined by the Department.

(c) The amount of tax credits reflected in the IRS Form(s) 8609 may be greater or less than the amount set forth in the Determination Notice based upon the Department's and the bond issuer's determination as of each building's placement in service. Any increase of tax credits, from the amount specified in the Determination Notice, at the time of each building's placement in service will only be permitted if it is determined necessary by the Department, as required by §42(m)(2)(D) of the Code. Increases to the amount of tax credits that exceed 110 percent of the amount of credits reflected in the Determination Notice are contingent upon approval by the Board. Increases to the amount of tax credits that do not exceed 110 percent of the amount of credits reflected in the Determination Notice may be approved administratively by the Executive Director. Increases to the tax credit amount are subject to the Credit Increase Fee as described in §10.901 of this chapter.

(d) Documentation Submission Requirements at Commitment of Funds. No later than the expiration date of the Commitment (or no later than December 31 for Competitive HTC Applications, whichever is earlier) or Determination Notice, the documentation described in paragraphs (1) - (6) of this subsection must be provided. Failure to provide these documents may cause the Commitment or Determination Notice to be rescinded:

(1) for entities formed outside the state of Texas, evidence that the entity filed a Certificate of Application for foreign qualification in Texas, a Franchise Tax Account Status from the Texas Comptroller of Public Accounts and a Certificate of Fact from the Office of the Secretary of State. If the entity is newly registered in Texas and the Franchise Tax Account Status or Certificate of Fact are not available, a statement can be provided to that effect;

(2) for Texas entities, a copy of the Certificate of Filing for the Certificate of Formation from the Office of the Secretary of State; a Certificate of Fact from the Secretary of State and a Franchise Tax Account Status from the Texas Comptroller of Public Accounts. If the entity is newly registered and the Certificate of Fact and the Franchise Tax Account Status are not available, a statement can be provided to that effect;

(3) evidence that the signer(s) of the Commitment or Determination Notice have the authority to sign on behalf of the Applicant in the form of a corporate resolution which indicates the sub-entity in Control and that the Person(s) signing the Application constitute all Persons required to sign or submit such documents;

(4) evidence of final zoning that was proposed or needed to be changed pursuant to the Development plan;

(5) evidence of satisfaction of any conditions identified in the Real Estate Analysis report or any other conditions of the award required to be met at Commitment or Determination Notice; and

(6) documentation of any changes to representations made in the Application subject to §10.405 of this chapter (relating to Amendments and Extensions).

(e) Post Bond Closing Documentation Requirements.

(1) Regardless of the issuer of the bonds, no later than sixty (60) calendar days following closing on the bonds, the Development Owner must submit:

(A) a Management Plan and an Affirmative Marketing Plan (as further described in the Tax Exempt Bond Process Manual);

(B) certifications that the Development Owner or management company has attended Department-approved Fair Housing training, relating to leasing and management issues, for at least five (5) hours;

(C) certifications that the Development architect or engineer responsible for Fair Housing compliance for the Development has attended Department-approved Fair Housing training, relating to design issues, for at least five (5) hours;

(D) evidence that the financing has closed, such as an executed settlement statement; and

(E) if the Development has an existing LURA with the Department, a fully executed and recorded Agreement of Assignment and Assumption of LURA (aka "Agreement to Comply").

(2) Certifications required under paragraph (1)(B) and (C) of this subsection must not be older than two (2) years from the date of the submission deadline.

(f) Carryover (Competitive HTC Only). All Developments which received a Commitment, and will not be placed in service and receive IRS Form(s) 8609 in the year the Commitment was issued, must submit the Carryover documentation, in the form prescribed by the Department in the Carryover Manual, no later than the Carryover Documentation Delivery Date as identified in §11.2 of this title (relating to Program Calendar for Competitive Housing Tax Credits) of the year in which the Commitment is issued pursuant to §42(h)(1)(C) of the Code.

(1) Commitments for credits will be terminated if the Carryover documentation has not been received by this deadline, unless an extension has been approved. This termination is final and not appealable, and immediately upon issuance of notice of termination staff is directed to award the credits to other qualified Applicants based on the approved waiting list.

(2) If the interim or permanent financing structure, syndication rate, amount of debt or syndication proceeds are finalized but different at the time of Carryover from what was proposed in the original Application, applicable documentation of such changes must be provided and the Development may be reevaluated by the Department.

(3) All Carryover Allocations will be contingent upon the Development Owner providing evidence that they have and will maintain Site Control through the 10 Percent Test or through the anticipated closing date, whichever is earlier. For purposes of this paragraph, Site Control must be identical to the Development Site that was submitted at the time of Application submission as determined by the Department.



(4) Confirmation of the right to transact business in Texas, as evidenced by the Franchise Tax Account Status (the equivalent of the prior Certificate of Account Status) from the Texas Comptroller of Public Accounts and a Certificate of Fact from the Office of the Secretary of State must be submitted with the Carryover Allocation.

(g) 10 Percent Test (Competitive HTC Only). No later than July 1 of the year following the submission of the Carryover Allocation Agreement, the Development Owner must incur more than 10 percent of the Development Owner's reasonably expected basis, pursuant to §42(h)(1)(E)(i) and (ii) of the Code (as amended by The Housing and Economic Recovery Act of 2008), and Treasury Regulations, §1.42-6. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than the 10 Percent Test Documentation Delivery Date as identified in §11.2 of this title. The Development Owner must submit, in the form prescribed by the Department, documentation evidencing paragraphs (1) - (4) of this subsection, along with all information outlined in the Post Carryover Activities Manual. Satisfaction of the 10 Percent Test will be contingent upon the submission of the items described in paragraphs (1) - (4) of this subsection as well as all other conditions placed upon the Application in the Commitment. Documentation to be submitted includes:

(1) evidence that the Development Owner has purchased, transferred, leased, or otherwise has ownership of the Development Site;

(2) for New Construction, Reconstruction, and Adaptive Reuse Developments, a certification from a Third Party civil engineer or architect stating that all necessary utilities will be available at the Development Site and that there are no easements, licenses, royalties or other conditions on or affecting the Development that would materially and adversely impact the ability to acquire, develop and operate as set forth in the Application. Copies of such supporting documents will be provided upon request;

(3) certification confirming attendance of the Development Owner or management company at Department-approved Fair Housing training, relating to leasing and management issues, for at least five (5) hours and of the Development architect or engineer responsible for Fair Housing compliance at Department-approved Fair Housing training, relating to design issues, for at least five (5) hours on or before the time the 10 Percent Test Documentation is submitted. Certifications must not be older than two (2) years from the date of submission of the 10 Percent Test Documentation; and

(4) a Certification from the lender and syndicator identifying all Guarantors known at that time.

(h) Construction Status Report. Within three (3) months of the close of the construction loan or partnership agreement, whichever comes first, and every quarter thereafter all multifamily developments must submit a construction status report. The initial report shall consist of the items identified in paragraphs (1) - (4) of this subsection. All subsequent reports shall contain items identified in paragraphs (3) and (4) of this subsection unless changes to the original submissions of paragraphs (1) and (2) of this subsection have occurred, in which case such amendments shall also be submitted with the subsequent report. Construction status reports shall be due by the tenth day of the month following each quarter end (January, April, July, and

October) and continue on a quarterly basis until the entire development is complete and all units are placed in service, evidenced by the Development Owner's request of a Final Construction Inspection or submission of the cost certification package. The construction status report submission consists of:

(1) the executed partnership agreement with the investor (identifying all Guarantors) or other documents setting forth the legal structure and ownership;

(2) the executed construction contract and construction loan agreement. If the loan has not closed, the anticipated closing date must be provided and, upon closing, the agreement must be provided to the Department;

(3) the most recent AIA G702 and G703 certified by the Architect of Record (or equivalent form approved for submission by the construction lender and/or investor); and

(4) all Third Party construction inspection reports not previously submitted.

(i) LURA Origination (Competitive HTC Only). The Department will generate a LURA for the Development Owner that will impose the income and rent restrictions identified in the Development's final underwriting report and other representations made in the Application, including but not limited to, specific commitments to provide tenant services, to lease to Persons with Disabilities and/or to provide specific amenities. The executed LURA and all exhibits will be sent to the Development Owner whereupon the Development Owner will then execute the LURA and have the fully-executed document and all exhibits and attachments recorded in the real property records for the county in which the Development is located. The original recorded LURA must be returned to the Department no later than the end of the first year of the Credit Period. In general, no Housing Tax Credits are allowed to be issued for a building unless there is a properly executed and recorded LURA in effect at the end of the first year of the Credit Period. Nothing in this section negates a Development Owner's responsibility for full compliance with §42(h)(6) of the Code. The Department will not issue IRS Form(s) 8609 until it receives the original, properly-recorded LURA, in writing, or has alternative arrangements which are acceptable to the Department and approved by the Executive Director.

(j) Cost Certification. The Department conducts a feasibility analysis in accordance with §42(m)(2)(C)(i)(III) of the Code and Subchapter D of this chapter (relating to Underwriting and Loan Policy) to make a final determination on the allocation of Housing Tax Credits. The requirements for cost certification include those identified in paragraphs (1) - (3) of this subsection.

(1) Development Owners must file cost certification documentation no later than January 15 following the first year of the Credit Period, as defined in §42(f)(1) of the Code.

(2) The Department will evaluate the cost certification documentation and notify the Development Owner of any additional required documentation. The Department reserves the right to request additional documents or certifications as it deems necessary or useful in the determination of the Development's eligibility for a final Housing Tax Credit allocation amount.

Any communication issued to the Development Owner pertaining to the cost certification documentation may also be sent to the syndicator.

(3) IRS Form(s) 8609 will not be issued until the conditions as stated in subparagraphs (A) - (G) of this paragraph have been met. The Development Owner has:

(A) provided evidence that all buildings in the Development have been placed in service by:

(i) December 31 of the year the Commitment was issued;

(ii) December 31 of the second year following the year the Carryover Allocation Agreement was executed; or

(iii) the approved Placed in Service deadline;

(B) provided a complete final cost certification package in the format prescribed by the Department. As used herein, a complete final cost certification package means a package that meets all of the Department's criteria with all required information and exhibits listed in clauses (i) - (xxii) of this subparagraph, and pursuant to the Post Carryover Activities Manual. If any item on this list is determined to be deficient or inconsistent with the cost certification review completed by the Department, a Request for Information (RFI) will be sent to the Development Owner. Failure to respond to the requested information within a thirty (30) day period, the cost certification review may result in the termination of the request for 8609s and require a new request to be submitted with a Cost Certification Extension Fee as described in Subchapter G of this chapter (relating to Fee Schedule, Appeals and Other Provisions).

(i) Carryover Allocation Agreement/Determination Notice and Election Statement;

(ii) Development Owner's Statement of Certification;

(iii) Development Owner Summary;

(iv) Evidence of Nonprofit and CHDO Participation;

(v) Evidence of Historically Underutilized Business (HUB) Participation;

(vi) Development Summary with Architect Certification (including a list of unit and common amenities);

(vii) As-Built Survey;

(viii) Closing Statement;

(ix) Title Policy;

(x) Evidence of Placement in Service;

- (xi) Independent Auditor's Reports;
- (xii) Total Development Cost Schedule;
- (xiii) AIA Form G702 and G703, Application and Certificate for Payment;
- (xiv) Rent Schedule;
- (xv) Utility Allowance;
- (xvi) Annual Estimated Operating Expenses and 15-Year Pro forma;
- (xvii) Current Annual Operating Statement and Rent Roll;
- (xviii) Final Sources of Funds;
- (xix) Executed Limited Partnership Agreement;
- (xx) Permanent Loan Agreement(s) or Firm Commitment and lender's closing timeline;
- (xxi) Architect's Certification of Fair Housing Requirements; and
- (xxii) TDHCA Compliance Workshop Certificate.

(C) received written notice from the Department that all deficiencies noted during the final construction inspection have been resolved in accordance with Subchapter F of this chapter (relating to Compliance Monitoring);

(D) informed the Department of and received written approval for all amendments and ownership transfers relating to the Development in accordance with §10.405 of this chapter (relating to Amendments and Extensions) and §10.406 of this chapter (relating to Ownership Transfers (§2306.6713))

(E) submitted to the Department the recorded LURA in accordance with subsection (i) of this section;

(F) paid all applicable Department fees, including any past due fees; and

(G) corrected all issues of noncompliance, including but not limited to noncompliance status with the LURA (or any other document containing an Extended Low-income Housing Commitment) or the program rules in effect for the subject Development, as described in this chapter. Developments with any uncorrected issues of noncompliance, outside of the Corrective Action Period, will not be issued IRS Form(s) 8609s until all events of noncompliance are corrected or otherwise approved by the Executive Award Review and Advisory Committee, or conditionally accepted by the Compliance Committee.

*§10.403.Direct Loans.*

(a) Loan Closing. The loan closing must occur no more than six (6) months from the date the Department's Governing Board approves the Direct Loan, which may be extended in accordance with the provisions in this subchapter. In preparation for closing any Direct Loan the Development Owner must submit the items described in paragraphs (1) - (10) of this subsection:

(1) documentation of the prior or reasonable assurance of a concurrent closing with any superior lien holders or any other sources of funds determined to be necessary for the long-term financial feasibility of the Development and all due diligence determined by the Department to be prudent and necessary to meet the Department's rules and to secure the interests of the Department. Where the Department will have a first lien position and the Applicant provides documentation that closing on other sources is reasonably expected to occur within three (3) months, the Executive Director or authorized designee may approve a closing to move forward without the closing on other sources. The Executive Director as the authorized designee of the Department must require a personal guarantee, in form and substance acceptable to the Department, from a Principal of the Development Owner for the interim period;

(2) when Department funds have a first lien position, assurance of completion of the Development in the form of payment and performance bonds in the full amount of the construction contract will be required or equivalent guarantee in the sole determination of the Department. Such assurance of completion will run to the Department as obligee. Development Owners also utilizing the USDA §515 program are exempt from this requirement but must meet the alternative requirements set forth by USDA;

(3) Owner/General Contractor agreement and Owner/architect agreement;

(4) survey of the Property that includes a certification to the Department, Development Owner, Title Company, and other lenders;

(5) if layered with Competitive Housing Tax Credits, a fully executed limited partnership agreement between the General Partner and the tax credit investor entity (may be provided concurrent with closing);

(6) a revised development cost schedule, sources and uses, operating proforma, planned cost categories for the use of Direct Loan funds, updated written financial commitments/term sheets and any additional budget schedules that have changed since the time of application. If the budget or sources of funds reflect material changes from what was approved by the Board that may affect the financial feasibility of the Development, the Department may request additional documentation to ensure that the Development continues to meet the requirements of Subchapter D of this chapter (relating to Underwriting and Loan Policy);

(7) if required for the Direct Loan, prior to closing, the Development Owner must have received verification of:

(A) environmental clearance;

(B) verification of HUD Site and Neighborhood clearance;

(C) documentation necessary to show compliance with the Uniform Relocation Act and any other relocation requirements that may apply; and

(D) any other documentation that is necessary or prudent to meet program requirements or state or federal law in the sole determination of the Department.

(b) Loan Documents. The Development Owner is required to execute all loan closing documents required by and in form and substance acceptable to the Legal Division including but not limited to a promissory note, deed of trust, construction loan agreement, LURA, and assignment and security instruments whereby the Developer, the Development Owner, and/or any Affiliate grants the Department any rights, liens, charges, security interests, ownership interests, mortgages, pledges, hypothecations, or other rights, legally or beneficially, collaterally or directly, to provide for the protection of the Department against any failure to adhere to the program's requirements. Repayment provisions will require repayment on a per unit basis for units that have not been rented to eligible households within eighteen (18) months of project completion; termination and repayment of the HOME award in full will be required for any development that is not completed within four (4) years of the date of funding commitment.

(c) Disbursement of Funds (including developer fees). The Development Owner must comply with the requirements in paragraphs (1) - (10) of this subsection for a request for disbursement of funds to reimburse eligible costs incurred. Submission of documentation related to the Development Owner's compliance with these requirements may be required with a request for disbursement:

(1) except for disbursements for acquisition and closing or disbursement requests made for soft costs only, a down-date endorsement to the title policy not older than the date of the last disbursement of funds or forty-five (45) calendar days, whichever is later. For release of retainage the down-date endorsement must be dated at least thirty (30) calendar days after the date of the construction completion;

(2) for hard construction costs, documentation of the total construction costs incurred and costs incurred since the last disbursement of funds must be submitted. Such documentation must be signed by the General Contractor and certified by the Development architect and is generally in the form of an AIA Form G702 or G703;

(3) the Department may require that sufficient funds be held back from initial disbursement to allow for periodic disbursements as may be necessary to meet federal requirements. For HOME Direct Loans: The initial draw request for the development must be entered no later than ten business days prior to the one year anniversary of the commitment date (as defined in 24 CFR Part 92) or funds may be cancelled in HUD's IDIS system;

(4) if applicable, up to 90 percent of Direct Loan funds may be drawn before providing evidence of Match. Thereafter, each Development Owner must provide evidence of Match in the form of a formal services contract or commitment clearly delineating the donated portion of the contract

price, third party invoicing showing the forgiven amount, or other equally verifiable third party documentation prior to release of the final 10 percent of funds. If funds are requested on the day of closing, a formal executed services contract specifying the terms of the Match must be provided;

(5) Developer fee disbursement shall be conditioned upon:

(A) for Developments in which the loan is secured by a first lien deed of trust against the Property, 75 percent shall be disbursed in accordance with percent of construction completed (i.e. 75 percent of the total allowable fee will be multiplied by the percent completion) as documented by the construction contract and as may be verified by an inspection by the Department. The remaining 25 percent shall be disbursed at the time of release of retainage; or

(B) for Developments in which the loan is not secured by a first lien deed of trust or the Development is also utilizing Housing Tax Credits, developer fees will not be reimbursed by the Department unless the other lenders and syndicator confirm in writing that they do not have an existing or planned agreement to govern the disbursement of developer fees and expect that Department funds shall be used to fund developer fees. Provided this requirement is met, developer fees shall be reimbursed in the same manner as described in subparagraph (A) of this paragraph; and

(C) the Department may reasonably withhold any disbursement of developer fees if it is determined that the Development is not progressing as necessary to meet Contract benchmarks or that cost overruns may put the Department's funds or completion within budget at risk. Once a reasonable alternative that is deemed acceptable by the Department has been provided, disbursement of the remaining fee may occur;

(6) expenditures must be allowable and reasonable in accordance with federal, state, and local rules and regulations. The Department shall determine the reasonableness of each expenditure requested. The Department may request the Development Owner make modifications to the disbursement request and is authorized to modify the disbursement procedures set forth herein and to establish such additional requirements for payment of Department funds to Development Owner as may be necessary or advisable for compliance with all program requirements. For HOME Direct Loans: Pre-award costs for predevelopment activities, as specified in the loan documents, are allowable only if they were incurred less than 24 months prior to the commitment date (as defined in 24 CFR Part 92) and were associated with the Application Round in which the project was awarded;

(7) table funding requests will not be considered unless:

(A) a Federal Commitment has been made, if applicable; and

(B) ten (10) days prior to anticipated closing, all table funding draw documentation has been completed and submitted to the Department;

(8) each Development Owner must schedule a progress inspection with Department staff once the property passes 25 percent construction completion based on the AIA G702. Only up to 50 percent of the HOME award will be released prior to receipt of documentation that the progress inspection has occurred;

(9) include the withholding of 10 percent of the construction contract for retainage. Retainage will be held until at least thirty (30) calendar days after all of the items described in subparagraphs (A) - (D) of this paragraph are received:

(A) completion of construction;

(B) a final inspection, after which receipt, a clearance is issued by the Department;

(C) labor standards final wage compliance report;

(D) receipt of certificates of occupancy for New Construction or a certification of completion from the Development architect for Rehabilitation; and

(10) for final disbursement requests, the Development Owner must submit documentation required for Development completion reports which may include documentation of full compliance with the Uniform Relocation Act and any other applicable relocation requirements.

*§10.404. Reserve Accounts.*

(a) Replacement Reserve Account (§2306.186). The Department will require Development Owners to provide regular maintenance to keep housing sanitary, safe and decent by establishing and maintaining a reserve for replacement account for the Development in accordance with Texas Government Code, §2306.186. The reserve account must be established, in accordance with subsections (b), (c) and (d) of this section, and maintained through annual deposit, for each Unit in a Development of 25 or more rental units regardless of the amount of rent charged for the Unit. If the Department is processing a request for loan modification or other workout request, and the Development does not have an existing replacement reserve account sufficient to meet future capital expenditure needs of the Development, the Development Owner will be required to establish and maintain a replacement reserve account regardless of the number of units at the Development. The Department shall, through cooperation of its divisions responsible for asset management and compliance, ensure compliance with this section. The duties of the Development Owner under this section cease on the date of a change in ownership of the Development; however, the subsequent Development Owner of the Development is subject to the requirements of this section.

(1) The LURA requires the Development Owner to begin making annual deposits to the replacement reserve account on the later of the:

(A) date that occupancy of the Development stabilizes as defined by the First Lien Lender or, in the absence of a First Lien Lender other than the Department, the date the Property is at least 90 percent occupied; or



(B) the date when the permanent loan is executed and funded.

(2) The Development Owner shall continue making deposits into the replacement reserve account until the earliest of the:

(A) date on which the owner suffers a total casualty loss with respect to the Development or the date on which the Development becomes functionally obsolete, if the Development cannot be or is not restored;

(B) date on which the Development is demolished;

(C) date on which the Development ceases to be used as a multifamily rental property; or

(D) end of the Affordability Period specified by the LURA or the end of the repayment period of the first lien loan.

(b) If the Department is the First Lien Lender with respect to the Development or if the establishment of a Reserve Account for repairs has not been required by the First Lien Lender or Bank Trustee, each Development Owner receiving Department assistance for multifamily rental housing shall deposit annually into a Reserve Account through the date described in subsection (a)(2) of this section.

(1) For New Construction Developments, not less than \$250 per Unit; or

(2) For Adaptive Reuse, Rehabilitation and Reconstruction Developments, the greater of the amount per Unit per year either established by the information presented in a Property Condition Assessment in conformance with Subchapter D of this chapter (relating to Underwriting and Loan Policy) or \$300 per Unit per year.

(3) For all Developments, a Property Condition Assessment ("PCA") will be conducted at appropriate intervals that are consistent with requirements of the First Lien Lender, other than the Department. If the Department is the First Lien Lender, or the First Lien Lender does not require a Third Party PCA, a PCA will be conducted at least once during each five (5) year period beginning with the eleventh (11th) year after the awarding of any financial assistance from the Department.

(c) Where there is a First Lien Lender other than the Department or a Bank Trustee as a result of a bond trust indenture or tax credit syndication, the Development Owner shall comply with the lesser of the replacement reserve requirements of the First Lien Lender or the requirements in subsection (b) of this section. In addition, the Department should be listed as a party to ~~be notified in the event of any activity involving escrow agreements for the maintenance of reserve funds~~ receive notice under any replacement reserve agreement entered into by the Development Owner. The Development Owner shall submit on an annual basis within the Department's required Development Owner's Financial Certification packet a statement describing:

(1) the reserve for replacement requirements under the first lien loan agreement (if applicable) referencing where those requirements are contained within the loan documents;

(2) compliance with the first lien lender requirements outlined in paragraph (1) of this subsection; and

(3) if the Owner is not in compliance with the lender requirements, the Development Owner's plan of action to bring the Development in compliance with all established reserve for replacement requirements.

(d) Where there is no First Lien Lender but the allocation of funds by the Department and Texas Government Code, §2306.186 requires that the Department oversee a Reserve Account, the Development Owner shall provide at their sole expense for appointment of an escrow agent acceptable to the Department to act as Bank Trustee as necessary under this section. The Department shall retain the right to replace the escrow agent with another Bank Trustee or act as escrow agent at a cost plus fee payable by the Development Owner due to breach of the escrow agent's responsibilities or otherwise with thirty (30) days prior notice of all parties to the escrow agreement.

(e) Penalties and Non-Compliance. If the Development Owner fails to comply with the replacement reserve account requirements stated herein, and request for extension or waiver of these requirements is not approved by the Department, then a penalty of up to \$200 per dwelling Unit in the Development and/or characterization of the Development as being in ~~Non Compliance~~ default of this requirement, may be taken when:

(1) a Reserve Account, as described in this section, has not been established for the Development;

(2) the Department is not a party to the escrow agreement for the Reserve Account, if required;

(3) money in the Reserve Account:

(A) is used for expenses other than necessary repairs, including property taxes or insurance or

(B) falls below mandatory deposit levels;

(4) Development Owner fails to make a required deposit;

(5) Development Owner fails to ~~contract for~~ obtain a Third-Party Property Condition Assessment as required under this section; or

(6) Development Owner fails to make necessary repairs in accordance with the third party property condition assessment or §10.621 of this chapter (relating to Property Condition Standards).

(f) Department-Initiated Repairs. The Department or its agent may make repairs to the Development if the Development Owner fails to complete necessary repairs indicated in the submitted Property Condition Assessment or identified by Department physical inspection. Repairs may be deemed necessary if the Development Owner fails to comply with federal, state, and/or local health, safety, or building code requirements. Payment for necessary repairs must be made directly by the Development Owner or through a replacement Reserve Account established for the Development under this section. The Department or its agent will produce a Request for Bids to hire a contractor to complete and oversee necessary repairs. On a case-by-case basis, the Department may determine that the money in the Reserve Account may be used for expenses other than necessary repairs, including property taxes or insurance, if:

(1) Development income before payment of return to Development Owner or deferred developer fee is insufficient to meet operating expense and debt service requirements; and the funds withdrawn from the Reserve Account are replaced as Cash Flow after payment of expenses, but before payment of return to Development Owner or Developer; or

(2) Development income after payment of operating expenses, but before payment of return to Development Owner or deferred developer fee is insufficient to fund the mandatory deposit levels; and subsequent deposits to the Reserve Account exceed mandatory deposit levels as Cash Flow after payment of operating expenses, but before payment of return to Development Owner or deferred developer fee is available until the Reserve Account has been replenished to the mandatory deposit level less capital expenses to date.

(g) Exceptions to Replacement Reserve Account. This section does not apply to a Development for which the Development Owner is required to maintain a Reserve Account under any other provision of federal or state law.

(h) Operating Reserve Account. At various stages during the application, award process, and during the life of a Development, the Department will conduct a financial analysis of the Development's total development costs and operating budgets, including the estimated operating reserve account deposit required. For example, this analysis typically occurs at application and cost certification review. The Department will consider a reasonable operating reserve account deposit in ~~the~~ this analysis based on the needs of the Development and requirements of other lenders or investors. The amount used in the analysis will be the amount described in the project cost schedule or balance sheet, if it is within the range of two (2) to six (6) months of stabilized operating expenses plus debt service. The Department may consider a greater amount proposed or required by the Department, any superior lien lender or syndicator if the detail for such greater amount is reasonable and well documented. Reasonable operating reserves in this chapter do not include capitalized asset management fees or other similar costs.

(i) Special Reserve Account. If the funding program requires the establishment and maintenance of a Special Reserve Account for the purpose of assisting residents at the Development with expenses associated with their tenancy, this will be established in accordance with the program's written agreement with the Development Owner.

(1) The Special Reserve Account is generally funded annually through an agreed upon percentage of net cash flow generated by the Development or as otherwise set forth in the written agreement. All disbursements from the account must be approved by the Department. For the purpose of this account, net cash flow is defined as funds available from operations after all expenses and debt service required to be paid have been considered. This does not include a deduction for depreciation and amortization expense, deferred developer fee payment, or other payments made for related party loans. For those financial institutions that are unable to set up the account with Department approval authority for disbursements, a Special Reserve Account Agreement will be drafted and executed by the Department, Development Owner and financial institution representative.

(2) Use of the funds in the Special Reserve Account is determined by a plan that is preapproved by the Department. The owner must create, update and maintain a plan for the disbursement of funds from the Special Reserve Account. The plan should be established at the time the account is created and updated and submitted for approval by the Department as needed. The plan should consider the needs of the tenants of the property and the existing and anticipated fund account balances such that all of the fund uses provide benefit to tenants. Disbursements from the fund will only be approved by the Department if they are in accordance with the current approved plan.

(j) Other Reserve Accounts. Additional reserve accounts may be recognized by the Department as necessary and required by the Department, superior lien lender or syndicator.

*§10.405.Amendments and Extensions.*

(a) Amendments to Housing Tax Credit (HTC) Application or Award Prior to Land Use Restriction Agreement (LURA) recording or amendments that do not result in a change to the LURA. (§2306.6712) Regardless of development stage, the Board shall reevaluate a Development that undergoes a substantial change, as identified in paragraph (4) of this subsection at any time after the initial Board approval of the Development. (§2306.6731(b)) The Board may deny an amendment request and subsequently may revoke any Commitment or Determination Notice issued for a Development and for Competitive HTC Applications, and reallocates the credits to other Applicants on the waiting list.

(1) If a proposed modification would alter a Development approved for an allocation of Housing Tax Credits by changing any item that received points, by significantly affecting the most recent underwriting analysis, or by materially altering the Development as further described in this subsection, the Department shall require the Applicant to file a formal, written request for an amendment to the Application. Such request must include a detailed explanation of the amendment request and other information as determined to be necessary by the Department, and the applicable fee as identified in §10.901 of this chapter (relating to Fee Schedule) in order to be received and processed by the Department.

(2) Department staff will evaluate the amendment request. The Executive Director may administratively approve all non-material amendments, including those involving changes to the Developer, Guarantor or Person used to meet the experience requirement in §10.204(5) of this

chapter (relating to Required Documentation for Application Submission). Amendments considered material pursuant to paragraph (4) of this subsection must be approved by the Board. Amendment requests which require Board approval must be received by the Department at least forty-five (45) calendar days prior to the Board meeting in which the amendment is anticipated to be considered. Before the fifteenth (15th) day preceding the date of Board action on the amendment, notice of an amendment and the recommendation of the Executive Director and Department staff regarding the amendment will be posted to the Department's website and the Applicant will be notified of the posting. (§2306.6717(a)(4))

(3) Amendment requests may be denied if the Board determines that the modification proposed in the amendment:

(A) would materially alter the Development in a negative manner; or

(B) would have adversely affected the selection of the Application in the Application Round.

(4) Material alteration of a Development includes, but is not limited to:

(A) a significant modification of the site plan;

(B) a modification of the number of units or bedroom mix of units;

(C) a substantive modification of the scope of tenant services;

(D) a reduction of 3 percent or more in the square footage of the units or common areas;

(E) a significant modification of the architectural design of the Development;

(F) a modification of the residential density of the Development of at least 5 percent;

(G) an increase or decrease in the site acreage, other than changes required by local government, of greater than 10 percent from the original site under control and proposed in the Application;

(H) exclusion of any requirements as identified in Subchapter B of this chapter (relating to Site and Development Requirements and Restrictions) and Subchapter C of this chapter (relating to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules or Pre-Clearance for Applications); or

(I) any other modification considered significant by the Board.

(5) In evaluating the amendment under this subsection, Department Staff shall consider whether changes to the selection or threshold criteria would have resulted in an equivalent or higher score and if the need for the proposed modification was reasonably foreseeable by the Applicant at the time the Application was submitted or preventable by the Applicant. Amendment requests will be denied if the score would have changed the allocation decision or if the circumstances were

reasonably foreseeable and preventable unless good cause is found for the approval of the amendment.

(6) This section shall be administered in a manner that is consistent with §42 of the Code.

(7) In the event that an Applicant or Developer seeks to be released from the commitment to serve the income level of tenants identified in the Credit Underwriting Analysis Report at the time of award and as approved by the Board, the procedure described in subparagraphs (A) and (B) of this paragraph will apply to the extent such request is not prohibited based on statutory and/or regulatory provisions:

(A) for amendments that involve a reduction in the total number of Low-Income Units, or a reduction in the number of Low-Income Units at any rent or income level, as approved by the Board, evidence must be presented to the Department that includes written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in Units. The Board may or may not approve the amendment request; however, any affirmative recommendation to the Board is contingent upon concurrence from Department staff that the Unit adjustment is necessary for the continued feasibility of the Development; and

(B) if it is determined by the Department that an allocation of credits would not have been made in the year of allocation because the loss of low-income targeting points would have resulted in the Application not receiving an allocation, and the amendment is approved by the Board, the approved amendment will carry a penalty that prohibits the Applicant and all Persons or entities with any ownership interest in the Application (excluding any tax credit purchaser/syndicator), from participation in the Housing Tax Credit Program (for both the Competitive Housing Tax Credit Developments and Tax-Exempt Bond Developments) for twenty-four (24) months from the time that the amendment is approved.

(b) Amendments to the LURA. Department staff will evaluate the amendment request and provide the Development Owner an amended LURA for execution and recordation in the county where the Development is located. LURAs will not be amended if the subject Development has any uncorrected issues of noncompliance outside of the Corrective Action Period (other than the provision being amended) unless otherwise approved by the Executive Award Review and Advisory Committee or conditionally accepted by the Compliance Committee. LURAs will not be amended if the Development Owner owes fees to the Department. The Executive Director or designee may administratively approve all non-material LURA amendments. Board approval is required if a Development Owner requests a reduction in the number of Low-Income Units, a change in the income or rent restrictions, a change in the Target Population, a substantive modification in the scope of tenant services, or a delay in the Right of First Refusal (ROFR) requirements. The Department will not approve changes that would violate state or federal laws including the requirements of §42 of the Code, 24 CFR Part 92 (HOME Final Rule), Chapter 11 of this title (relating to Housing Tax Credit Program Qualified Allocation Plan), Texas Government Code, Chapter 2306, the Fair Housing Act, and, for Tax Exempt Bond Developments, compliance with their trust indenture and corresponding bond issuance documents. An amendment to the LURA is not considered material if the change is the result of a Department work out arrangement or loan modification or other condition recommended by the

Department's Asset Review Committee. Prior to staff taking a recommendation to the Board for consideration, the procedures described in paragraphs (1) - (5) of this subsection must be followed:

(1) the Development Owner must submit a written request accompanied by an amendment fee as identified in §10.901 of this chapter, specifying the requested change, the reason the change is necessary, the good cause for the change and if the necessity for the amendment was reasonably foreseeable at the time of Application;

(2) the Development Owner must supply financial information for the Department to evaluate the financial impact of the change;

(3) the Department may order a Market Study or appraisal to evaluate the request which shall be at the expense of the Development Owner and the Development Owner will remit funds necessary for such report prior to the Department commissioning such report;

(4) at least seven (7) business days before the Board meeting when the Development Owner would like the Board to consider their request, the Development Owner must hold a public hearing. The notice of the hearing and requested change must be provided to each tenant of the Development, the current lender and/or investors, the State Senator and Representative for the district containing the Development, and the chief elected official for the municipality, if located in a municipality, or the county commissioners, if located outside of a municipality; and

(5) ten (10) business days before the public hearing, the Development Owner must submit a draft notice of the hearing for approval by the Department. The Department will create and provide upon request a sample notice and approve or amend the notice within three (3) business days of receipt.

(c) Amendments to Direct Loan Terms. An Applicant may request a change to the terms of a loan Requests for changes to the loan post closing will be processed as a loan modification and may require additional approval by the Department's Asset Review Committee pursuant to §1.20 of this title (relating to Asset Review Committee). The Executive Director or authorized designee may approve amendments to loan terms as described in paragraphs (1) - (6) of this subsection prior to closing. Board approval is necessary for any other changes prior to closing. A post closing loan modification that is the result of a Department work out arrangement or other condition recommended by the Department's Asset Review Committee will not require additional Executive Director or Board approval except where the post closing change could have been anticipated prior to closing as determined by staff:

(1) extensions of up to twelve (12) months to the loan closing date specified in §10.403(a) of this chapter (relating to Direct Loans). An Applicant must document good cause, which may include constraints in arranging a multiple-source closing;

(2) changes to the loan maturity date to accommodate the requirements of other lenders or to maintain parity of term;

(3) extensions of up to six (6) months for the construction completion or loan conversion date based on documentation that the extension is necessary to complete construction and that there is good cause for the extension. Such a request will generally not be approved prior to initial loan closing;

(4) changes to the loan amortization or interest rate that cause the annual repayment amount to decrease less than 20 percent or any changes to the amortization or interest rate that increases the annual repayment amount;

(5) decreases in the Direct Loan amount, provided the decrease does not jeopardize the financial viability of the Development. Increases will generally not be approved unless the Applicant competes for the additional funding under an open NOFA; and

(6) changes to other loan terms or requirements as necessary to facilitate the loan closing without exposing the Department to undue financial risk.

(d) HTC Extensions. Extensions must be requested if the original deadline associated with carryover, the 10 Percent Test (including submission and expenditure deadlines), or cost certification requirements will not be met. Extension requests submitted at least thirty (30) calendar days in advance of the applicable deadline will not be required to submit an extension fee as described in §10.901 of this chapter. Any extension request submitted fewer than thirty (30) days in advance of the applicable deadline or after the applicable deadline will not be processed unless accompanied by the applicable fee. Extension requests will be approved by the Executive Director or Designee, unless, at staff's discretion it warrants Board approval due to extenuating circumstances stated in the request. The extension request must specify a requested extension date and the reason why such an extension is required. If the Development Owner is requesting an extension to the Carryover submission or 10 percent Test deadline(s), a point deduction evaluation will be completed in accordance with Texas Government Code, §2306.6710(b)(2), and §11.9(f) of this title (relating to Competitive HTC Selection Criteria). Therefore, the Development Owner must clearly describe in their request for an extension how the need for the extension was beyond the reasonable control of the Applicant/Development Owner and could not have been reasonably anticipated. Carryover extension requests will not be granted an extended deadline later than December 1st of the year the Commitment was issued.

*§10.406. Ownership Transfers (§2306.6713).*

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice to the Department at least thirty (30) calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Transfers that are the result of an involuntary removal of the general partner by the investment limited partner must be reported to the Department, as soon as possible due to the sensitive timing and nature of this decision. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure, staff may make a recommendation to the Board for the debarment of the entity and/or its Principals and Affiliates pursuant to §60.309 of this title (relating to Debarment). In addition, a record of transfer involving Principals



in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with §1.5 of this title (relating to Previous Participation Reviews), prior to recommending any new financing or allocation of credits.

(b) Requirement. Department approval must be requested for any new member to join in the ownership of a Development, except for changes to the investment limited partner, non-controlling limited partner, or other partners affiliated with the investment limited partner or changes resulting from foreclosure wherein the lender or financial institution involved in the transaction is the resulting owner. Any subsequent transfer of the Development will be required to adhere to the process in this section. Furthermore, a Development Owner may not transfer an allocation of tax credits or ownership of a Development supported with an allocation of tax credits to any Person or entity unless the Development Owner obtains the Executive Director's prior, written approval of the transfer, ~~except where the transfer is an Affiliate of the Development Owner, if such entity contains no new members, or a non Controlling Related Party for estate planning purposes.~~ The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section. Notwithstanding the foregoing, a Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new members or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(c) Transfers Prior to 8609 Issuance or Construction Completion. Transfers (other than ~~to an Affiliate or non Controlling Related Party for estate planning purposes included in the ownership structure those that do not require Executive director approval, as set forth above~~) will not be approved prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) unless the Development Owner can provide evidence that the need for the transfer is due to a hardship (ex. potential bankruptcy, removal by a partner, etc.). The Development Owner must provide the Department with a written explanation describing the hardship and a copy of any applicable agreement between the parties to the transfer, including any Third-Party agreement.

(d) Non-Profit Organizations. If the ownership transfer request is to replace a ~~qualified~~ non-profit organization within the Development Ownership entity, the replacement non-profit entity must adhere to the requirements in paragraphs (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Non-Profit Organization, ~~pursuant to §42(h)(5) of the Code, the Owner must comply with Code requirements and affirmatively document that the allocation would have been made to the Development Owner regardless of the set-aside election or, the Owner will be required to meet the additional requirements for application in the non-profit set-aside outlined in 2306.6706 and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Non-Profit Organization that meets the requirements of §42(h)(5) of the Code and Texas Government Code §2306.6706 .~~

(2) If the LURA requires ownership or material participation in ownership by a qualified non-profit organization, ~~pursuant to §42(h)(5) of the Code and §2306.6706 of the Texas Government~~

Code, the Owner must comply with both regulatory requirements but the Development did not receive Tax Credits pursuant to §42(h)(5) of the Code, the Development Owner must show that the transferee is a non-profit organization that complies with the LURA.”

(e) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances that gave rise to the need for the transfer and the effects of approval or denial. Documentation includes but is not limited to:

(1) a written explanation outlining the reason for the request;

(2) a list of the names of transferees and Related Parties;

(3) detailed information describing the experience and financial capacity of transferees and related parties holding an ownership interest of 10 percent or greater in any Principal or Controlling entity;

(4) evidence and certification that the tenants in the Development have been notified in writing of the transfer at least thirty (30) calendar days prior to the date the transfer is approved by the Department.

(f) Within five (5) business days after the date the Department receives all necessary information under this section, staff shall ~~request~~ initiate a qualifications review of a transferee, in accordance with Section 1.5 of this title, to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter.

(g) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) in cases where the general partner is being replaced if the award of credits was made at least five (5) years prior to the transfer request date.

(h) Penalties. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department.

(i) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by corresponding ownership transfer fee as outlined in §10.901 of this chapter (relating to Fee Schedule).

*§10.407.Right of First Refusal.*

(a) General. This section applies to LURAs that provided an incentive for Development Owners to offer a Right of First Refusal (ROFR) to a Qualified ROFR Organization which is defined as a qualified nonprofit organization under §42(h)(5)(c) or tenant organizations. The Development Owner may market the Property for sale and sell the Property to a Qualified ROFR Organization without going through the ROFR process outlined in this section. The purpose of this section is to provide administrative procedures and guidance on the process and valuation of properties under the LURA. All requests for ROFR submitted to the Department, regardless of existing regulations, must adhere to this process. A ROFR request must be made in accordance with the LURA for the Development. If there is a conflict between the Development's LURA and this subchapter, requirements in the LURA supersede the subchapter. If a LURA includes the ROFR provision, the Development Owner may not request a Preliminary Qualified Contract until the requirements outlined in this section have been satisfied. The Department reviews and approves all ownership transfers, including transfers to a nonprofit or tenant organization through a ROFR. Properties subject to a LURA may not be transferred to an entity that is considered an ineligible entity under the Department's most recent Qualified Allocation Plan. In addition, ownership transfers to a ~~non-profit organization~~ Qualified ROFR Organization during the ROFR period are subject to §1.5 of this title (relating to Previous Participation Reviews). ~~Properties that have been determined by staff to have a pattern of non-compliance that wish to pursue the acquisition of a Department administered Property may appeal to the Board regarding the denial of such transfer by the Executive Director.~~ A Qualified ROFR Organization that wishes to pursue the acquisition of a Development through a ROFR but that is not approved for transfer under the Previous Participation Review, pursuant to Section 1.5 of this title, may appeal the denial to the Board. Satisfying the ROFR requirement does not terminate the LURA or the ongoing application of the ROFR requirement to any subsequent Development Owner.

(b) Right of First Refusal Offer Price. There are two general expectations of the ROFR offer or sale price identified in the outstanding LURAs. The descriptions in paragraphs (1) and (2) of this subsection do not alter the requirements or definitions included in the LURA but provide further clarification as applicable:

(1) Fair Market Value is established using either a current appraisal (completed within three months prior to the ROFR request and in accordance with §10.304 of this title) of the Property or an executed purchase offer that the Development Owner would like to accept. The purchase offer must contain specific language that the offer is conditioned upon satisfaction of the ROFR requirement;

(2) the Minimum Purchase Price, pursuant to §42(i)(7)(B) of the Code, is the sum of:

(A) the principal amount of outstanding indebtedness secured by the project (other than indebtedness incurred within the five (5)-year period immediately preceding the date of said notice); and

(B) all federal, state, and local taxes incurred or payable by the Development Owner as a consequence of such sale. If the Property has a minimum Applicable Fraction of less than 1, the

offer must take this into account by multiplying the purchase price by the applicable fraction and the fair market value of the non-Low-Income Units.

(c) Required Documentation. Upon establishing the value of the Property, the ROFR process is the same for all types of LURAs. To proceed with the ROFR request, submit all documents listed in paragraphs (1) - (12) of this subsection:

(1) upon the Development Owner's determination to sell the Development to ~~a for-profit entity~~ an entity other than a Qualified ROFR Organization, the Development Owner shall provide a notice of intent to the Department and to such other parties as the Department may direct at that time. If the LURA identifies a Qualified ~~Nonprofit-ROFR Organization or tenant organization~~ that has a limited priority in exercising a ROFR to purchase the Development, the Development Owner must first offer the Property to this entity. If the nonprofit entity does not purchase the Property, this denial of offer must be in writing and submitted to the Department along with the notice of intent to sell the Property. The Department will determine from this documentation whether the ROFR requirement has been met. In the event that ~~the~~ this organization is not operating or in existence when the ROFR is to be made, the ROFR must be provided to another Qualified ~~Nonprofit-ROFR~~ Organization. Upon review and approval of the notice of intent and denial of offer letter, the Department may notify the Development Owner in writing that the ROFR requirement has been satisfied. Upon receipt of written notice, the Development Owner may pursue the Qualified Contract process or proceed with the sale to ~~a for-profit~~ another buyer at or above the posted price;

(2) documentation verifying the ROFR offer price of the property;

(A) if the Development Owner receives an offer to purchase the Property from any buyer other than a Qualified Nonprofit Organization that the Development Owner would like to accept, the Development Owner may execute a sales contract, conditioned upon satisfaction of the ROFR requirement, and submit the executed sales contract to establish fair market value; or

(B) if the Development Owner of the Property chooses to establish fair market value using an appraisal, the Development Owner must submit an appraisal of the Property completed during the last three (3) months prior to the date of submission of the ROFR request, establishing a value for the Property in compliance with Subchapter D of this chapter (relating to Underwriting and Loan Policy) in effect at the time of the request. The appraisal should take into account the existing and continuing requirements to operate the Property under the LURA and any other restrictions that may exist. Department staff will review all materials within thirty (30) calendar days of receipt. If, after the review, the Department does not agree with the fair market value proposed in the Development Owner's appraisal, the Department may order another appraisal at the Development Owner's expense; or

(C) if the LURA requires valuation through the Minimum Purchase Price calculation, submit documentation verifying the calculation of the Minimum Purchase Price as described in subsection (b)(2) of this section regardless of any existing offer or appraised value;

(3) description of the Property, including all amenities and current zoning requirements;

(4) copies of all documents imposing income, rental and other restrictions (non-TDHCA), if any, applicable to the operation of the Property;

(5) copy of the most current title report, commitment or policy in the Development Owner's possession;

(6) the most recent Physical Needs Assessment, pursuant to Texas Government Code, §2306.186(e), conducted by a Third-Party and in the Development Owner's possession;

(7) copy of the monthly operating statements, including income statements and balance sheets for the Property for the most recent twelve (12) consecutive months (financial statements should identify amounts held in reserves);

(8) the three (3) most recent consecutive audited annual operating statements, if available;

(9) detailed set of photographs of the Property, including interior and exterior of representative units and buildings, and the Property's grounds (including digital photographs that may be easily displayed on the Department's website);

(10) current and complete rent roll for the entire Property;

(11) if any portion of the land or improvements is leased for other than residential purposes, copies of the commercial leases; and

(12) ROFR fee as identified in §10.901 of this chapter (relating to Fee Schedule).

(d) Process. Within five (5) business days of receipt of all required documentation, the Department will review the submitted documents and notify the Development Owner of any deficiencies. Once the deficiencies are resolved and the Development Owner and Department come to an agreement on the ROFR offer price of the Property, the Department will list the Property for sale on the Department's website and contact entities on the nonprofit buyer list maintained by the Department to inform them of the availability of the Property for the agreed upon ROFR offer price as determined under this section. The Department will notify the Development Owner when the Property has been listed and of any inquiries or offers generated by such listing. If the Department or Development Owner receives offers to purchase the Property from more than one Qualified ROFR Organization, the Development Owner may accept back up offers. To satisfy the ROFR requirement, the Development Owner may sell the Property to the Qualified ROFR Organization selected by the Development Owner on such basis as it shall determine appropriate and approved by the Department. The period of time required for offering the property at the ROFR offer price is based upon the period identified in the LURA and clarified in paragraphs (1) and (2) of this subsection:

(1) if the LURA requires a ninety (90) day ROFR posting period, within ninety (90) days from the date listed on the website, the process as identified in subparagraphs (A) - (D) of this paragraph shall be followed:

(A) if an bona fide offer from a qualified ROFR organization is received at or above the posted ROFR offer price, and the Development Owner does not accept the offer, the ROFR requirement will not be satisfied;

(B) if an bona fide offer from a qualified ROFR organization is received at or above the posted ROFR offer price and the Development Owner accepts the offer, and the nonprofit fails to close the purchase, if the failure is determined to not be the fault of the Development Owner, the ROFR requirement will be deemed met;

(C) if an offer from a nonprofit is received at a price below the posted ROFR offer price, the Development Owner is not required to accept the offer, and the ROFR requirement will be deemed met if no other offers at or above the price are received during the ninety (90) day period;

(D) if no bona fide offers are received during the ninety (90) day period, the Department will notify the Development Owner in writing that the ROFR requirement has been met. Upon receipt of written notice, the Development Owner may pursue the Qualified Contract process or proceed with the sale to a for-profit buyer at or above the posted price;

(2) if the LURA requires a two year ROFR posting period, and the Development Owner intends to sell the Property upon expiration of the Compliance Period, the notice of intent described in this section may be submitted within two (2) years before the expiration of the Compliance Period, as required by Texas Government Code, §2306.6726. If the Development Owner determines that it will sell the Development at some point later than the end of the Compliance Period, the notice of intent shall be given within two (2) years before the date upon which the Development Owner intends to sell the Development in order for the two year ROFR posting period to be completed prior to intended sale. The two (2) year period referenced in this paragraph begins when the Department has received and approved all documentation required under subsection (c)(1) - (12) of this section. During the two (2) years following the notice of intent and in order to satisfy the ROFR requirement of the LURA, the Development Owner may enter into an agreement to sell the Development only with the parties listed, and in order of priority:

(A) during the first six (6) month period after notice of intent, only with a Qualified Nonprofit Organization that is also a Community Housing Development Organization, as defined in the HOME Final Rule and is approved by the Department;

(B) during the second six (6) month period after notice of intent, only with a Qualified Nonprofit Organization or a tenant organization;

(C) during the second year after notice of intent, only with the Department or with a Qualified Nonprofit Organization approved by the Department or a tenant organization approved by the Department; and

(D) if, during the two (2) year period, the Development Owner shall receive an offer to purchase the Development at or above the Minimum Purchase Price from one of the organizations

designated in subparagraphs (A) - (C) of this paragraph (within the period(s) appropriate to such organization), the Development Owner may sell the Development to such organization. If, during such period, the Development Owner shall receive more than one offer to purchase the Development at or above the Minimum Purchase Price from one or more of the organizations designated in subparagraphs (A) - (C) of this paragraph (within the period(s) appropriate to such organizations), the Development Owner may sell the Development at or above the Minimum Purchase Price to the organization selected by the Development Owner on such basis as it shall determine appropriate and approved by the Department;

(E) upon expiration of the two (2) year period, if no Minimum Purchase Price offers were received from a Qualified ROFR Organization or by the Department, the Department will notify the Development Owner in writing that the ROFR requirement has been met. Upon receipt of written notice, the Development Owner may pursue the Qualified Contract process or proceed with the sale to a for-profit buyer at or above the minimum purchase price.

(e) Closing the Transaction. The Department shall have the right to enforce the Development Owner's obligation to sell the Development as herein contemplated by obtaining a power-of-attorney from the Development Owner to execute such a sale or by obtaining an order for specific performance of such obligation or by such other means or remedy as shall be, in the Department's discretion, appropriate.

(1) Prior to closing a sale of the Property, the Development Owner must obtain Department approval of the transfer through the ownership transfer process in accordance with §10.406 of this chapter (relating to Ownership Transfers (§2306.6713)). The request should include, among other required transfer documents outlined in the Post Carryover Activities Manual, the final settlement statement and final sales contract with all amendments. If there is no material change in the sales price or terms and conditions of the sale, as approved at the conclusion of the ROFR process, and there are no issues identified during the Ownership Transfer review process, the Department will notify the Development Owner in writing that the transfer is approved.

(2) If the closing price is materially less than the amount identified in the sales contract or appraisal that submitted in accordance with subsection (c)(2)(A) - (C) of this section or the terms and conditions of the sale change materially, in the Department's sole determination, the Development Owner must go through the ROFR process again.

(3) Following notice that the ROFR requirement has been met, if the Development Owner fails to proceed with a request for a Qualified Contract or sell the Property to a for-profit entity within twenty-four (24) months of the Department's written approval, the Development Owner must again offer the Property to nonprofits in accordance with the applicable section prior to any transfer. If the Department determines that the ROFR requirement has not been met during the ROFR posting period, the Owner may not re-post under this provision at a ROFR price that is higher than the originally posted ROFR price until twenty-four (24) months has expired from the Department's written denial. The Development Owner may market the Property for sale and sell the Property to a Qualified ROFR Organization during this twenty-four month period.

(f) Appeals. A Development Owner may appeal a staff decision in accordance with §10.902 of this chapter (relating to the Appeals Process (§2306.0321; §2306.6715)). The appeal may include:

- (1) the best interests of the residents of the Development;
- (2) the impact the decision would have on other Developments in the Department's portfolio;
- (3) the source of the data used as the basis for the Development Owner's appeal;
- (4) the rights of nonprofits under the ROFR;
- (5) any offers from an eligible nonprofit to purchase the Development; and
- (6) other factors as deemed relevant by the Executive Director.

*§10.408. Qualified Contract Requirements.*

(a) General. Pursuant to §42(h)(6) of the Code, after the end of the 14th year of the Compliance Period, the Development Owner of a Development utilizing Housing Tax Credits can request that the allocating agency find a buyer at the Qualified Contract Price. If a buyer cannot be located within one (1) year, the Extended Use Period will expire. This section provides the procedures for the submittal and review of Qualified Contract Request.

(b) Eligibility. Development Owners who received an allocation of credits on or after January 1, 2002 are not eligible to request a Qualified Contract prior to the thirty (30) year anniversary of the date the property was placed in service. (§2306.185) Development Owners awarded credits prior to 2002 may submit a Qualified Contract Request at any time after the end of the year proceeding the last year of the Initial Affordability Period, following the Department's determination that the Development Owner is eligible. The Initial Affordability Period starts concurrently with the credit period, which begins at placement-in-service or is deferred until the beginning of the next tax year, if there is an election. Unless the Development Owner has elected an Initial Affordability Period longer than the Compliance Period, as described in the LURA, this can commence at any time after the end of the 14th year of the Compliance Period. References in this section to actions which can occur after the 14th year of the Compliance Period shall refer, as applicable, to the year preceding the last year of the Initial Affordability Period, if the Development Owner elected an Initial Affordability Period longer than the Compliance Period.

(1) If there are multiple buildings placed in service in different years, the end of the Initial Affordability Period will be based upon the date the last building placed in service. For example, if five buildings in the Development began their credit periods in 1990 and one began in 1991, the 15th year would be 2005.

(2) If a Development received an allocation in multiple years, the end of the Initial Affordability Period will be based upon the last year of a multiple allocation. For example, if a Development



received its first allocation in 1990 and a subsequent allocation and began the credit period in 1992, the 15th year would be 2006.

(c) Preliminary Qualified Contract Request. All eligible Development Owners must file a Preliminary Qualified Contract Request.

(1) In addition to determining the basic eligibility described in subsection (b) of this section, the pre-request will be used to determine that:

(A) the Property does not have any uncorrected issues of noncompliance outside the Corrective Action Period;

(B) there is a Right of First Refusal (ROFR) connected to the Property that has been satisfied;

(C) the Compliance Period has not been extended in the LURA and, if it has, the Development Owner is eligible to file a pre-request as described in paragraph (2) of this subsection; and

(D) the Development Owner has all of the necessary documentation to submit a Request.

(2) In order to assess the validity of the pre-request, the Development Owner must submit:

(A) Preliminary Request Form;

(B) Qualified Contract Pre-Request fee as outlined in §10.901 of this chapter (relating to Fee Schedule);

(C) copy of all regulatory agreements or LURAs associated with the property (non-TDHCA); and

(D) local code compliance report, TDHCA UPCS Inspection Report, or HUD-certified REAC or UPCS inspection within the last twelve (12) months.

(3) The pre-request will not bind the Development Owner to submit a Request and does not start the One (1) Year Period (1YP). A review of the pre-request will be conducted by the Department within ninety (90) days of receipt of all documents and fees described in paragraph (2) of this subsection. If the Department determines that this stage is satisfied, a letter will be sent to the Development Owner stating that they are eligible to submit a Qualified Contract (QC) Request.

(d) Qualified Contract Request. A Development Owner may file a QC Request anytime after written approval is received from the Department verifying that the Development Owner is eligible to submit the Request.

(1) Documentation that must be submitted with a Request is outlined in subparagraphs (A) - (P) of this paragraph:

(A) a completed application and certification;

- (B) the Qualified Contract price calculation worksheets completed by a Third-Party certified public accountant (CPA). The CPA shall certify that they have reviewed annual partnership tax returns for all years of operation, loan documents for all secured debt, and partnership agreements. They shall also certify that they are not being compensated for the assignment based upon a predetermined outcome;
- (C) a thorough description of the Development, including all amenities;
- (D) a description of all income, rental and other restrictions (non-TDHCA), if any, applicable to the operation of the Development;
- (E) a current title report;
- (F) a current appraisal with the effective date within three months prior to the date of the QC Request and consistent with Subchapter D of this chapter (relating to Underwriting and Loan Policy);
- (G) a current Phase I Environmental Site Assessment (Phase II if necessary) with the effective date within six months of the date of the QC Request and consistent with Subchapter D of this chapter;
- (H) a copy of the most recent property condition assessment of the property consistent with Subchapter D of this chapter and in accordance with the requirement described in Texas Government Code, §2306.186(e);
- (I) a copy of the monthly operating statements for the Development for the most recent twelve (12) consecutive months;
- (J) the three most recent consecutive annual operating statements;
- (K) a detailed set of photographs of the development, including interior and exterior of representative units and buildings, and the property's grounds (including digital photographs that may be easily displayed on the Department's website);
- (L) a current and complete rent roll for the entire Development;
- (M) a certification that all tenants in the Development have been notified in writing of the request for a Qualified Contract. A copy of the letter used for the notification must also be included;
- (N) if any portion of the land or improvements is leased, copies of the leases;
- (O) the Qualified Contract Fee as identified in §10.901 of this chapter; and
- (P) additional information deemed necessary by the Department.

(2) Unless otherwise directed by the Department pursuant to subsection (g) of this section, the Development Owner shall contract with a broker to market and sell the Property. The Department may, at its sole discretion, notify the Owner that the selected Broker is not approved by the Department. The fee for this service will be paid by the seller, not to exceed 6 percent of the QC Price.

(3) Within ninety (90) days of the submission of a complete Request, the Department will notify the Development Owner in writing of the acceptance or rejection of the Development Owner's QC Price calculation. The Department will have one (1) year from the date of the acceptance letter to find a Qualified Purchaser and present a QC. The Department's rejection of the Development Owner's QC Price calculation will be processed in accordance with subsection (e) of this section and the 1YP will commence as provided therein.

(e) Determination of Qualified Contract Price. The CPA contracted by the Development Owner will determine the QC Price in accordance with §42(h)(6)(F) of the Code taking the following into account:

(1) distributions to the Development Owner of any and all cash flow, including incentive management fees and reserve balance distributions or future anticipated distributions, but excluding payments of any eligible deferred developer fee. These distributions can only be confirmed by a review of all prior year tax returns for the Development;

(2) all equity contributions will be adjusted based upon the lesser of the consumer price index or 5 percent for each year, from the end of the year of the contribution to the end of year fourteen or the end of the year of the request for a QC Price if requested at the end of the year or the year prior if the request is made earlier than the last year of the month;

(3) these guidelines are subject to change based upon future IRS Rulings and/or guidance on the determination of Development Owner distributions, equity contributions and/or any other element of the QC Price; and

(4) the QC Price calculation is not the same as the Minimum Purchase Price calculation for the ROFR.

(f) Appeal of Qualified Contract Price. The Department reserves the right, at any time, to request additional information to document the QC Price calculation or other information submitted. If the documentation does not support the price indicated by the CPA hired by the Development Owner, the Department may engage its own CPA to perform a QC Price calculation and the cost of such service will be paid for by the Development Owner. If a Development Owner disagrees with the QC Price calculated by the Department, a Development Owner may appeal in writing. A meeting will be arranged with representatives of the Development Owner, the Department and the CPA contracted by the Department to attempt to resolve the discrepancy. The 1YP will not begin until the Department and Development Owner have agreed to the QC Price in writing. Further appeals can be submitted in accordance with §10.902 of this title (relating to Appeals Process (§2306.0321; §2306.6715)).

(g) Marketing of Property. By submitting a Request, the Development Owner grants the Department the authority to market the Development and provide Development information to interested parties. Development information will consist of pictures of the Development, location, amenities, number of Units, age of building, etc. Development Owner contact information will also be provided to interested parties. The Development Owner is responsible for providing staff to assist with site visits and inspections. Marketing of the Development will continue until such time that a Qualified Contract is presented or the 1YP has expired. Notwithstanding subsection (d)(2) of this section, the Department reserves the right to contract directly with a Third Party in marketing the Development. Cost of such service, including a broker's fee not to exceed 6 percent, will be paid for by the existing Development Owner. The Department must have continuous cooperation from the Development Owner. Lack of cooperation will cause the process to cease and the Development Owner will be required to comply with requirements of the LURA for the remainder of the Extended Use Period. A prospective purchaser must complete all requirements of an ownership transfer request and be approved by the Department prior to closing on the purchase. The Department will assess if the prospective purchaser is a Qualified Purchaser during the Ownership Transfer review process. Responsibilities of the Development Owner include but are not limited to the items described in paragraphs (1) - (3) of this subsection. The Development Owner must:

- (1) allow access to the Property and tenant files;
- (2) keep the Department informed of potential purchasers; and
- (3) notify the Department of any offers to purchase.

(h) Presentation of a Qualified Contract. If the Department finds a Qualified Purchaser willing to present an offer to purchase the property for an amount at or above the QC Price, the Development Owner may accept the offer and enter into a commercially reasonable form of earnest money agreement or other contract of sale for the property and provide a reasonable time for necessary due diligence and closing of the purchase. If the Development Owner chooses not to accept the QC offer that the Department presents, the QC request will be closed and the possibility of terminating the Extended Use Period through the Qualified Contract process is eliminated; the Property remains bound by the provisions of the LURA. If the Development Owner decides to sell the development for the QC Price pursuant to a QC, the consummation of such a sale is not required for the LURA to continue to bind the Development for the remainder of the Extended Use Period.

(1) The Department will attempt to procure a QC only once during the Extended Use Period. If the transaction closes under the contract, the new Development Owner will be required to fulfill the requirements of the LURA for the remainder of the Extended Use Period.

(2) If the Department fails to present a QC before the end of the 1YP, the Department will file a release of the LURA and the Development will no longer be restricted to low-income requirements and compliance. However, in accordance with §42(h)(6)(E)(ii) of the Code, for a three (3) year period commencing on the termination of the Extended Use Period, the Development Owner may not evict or displace tenants of Low-Income Units for reasons other

than good cause and will not be permitted to increase rents beyond the maximum tax credit rents. Additionally, the Development Owner should submit to the Department a request to terminate the LURA and evidence, in the form of a signed certification and a copy of the letter to be created by the Department, that the tenants in the Development have been notified in writing that the LURA will be terminated and have been informed of their protections during the three (3) year time frame.

(3) Prior to the Department filing a release of the LURA, the Development Owner must correct all instances of noncompliance at the Property.

(i) Compliance Monitoring during Extended Use Period. For Developments that continue to be bound by the LURA and remain affordable after the end of the Compliance Period, the Department will implement modified compliance monitoring policies and procedures. Refer to the Extended Use Period Compliance Policy in Subchapter F of this chapter (relating to Compliance Monitoring) for more information.

1v

**BOARD ACTION REQUEST**  
**REAL ESTATE ANALYSIS DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D and proposed new 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, and directing their publication for public comment in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, at the September 12, 2013, Board meeting the proposed repeal of 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D and proposed new 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D, concerning Underwriting and Loan Policy, were approved for publication in the *Texas Register* for public comment, and the public comment period has ended.

**WHEREAS**, staff proposes clarifications and changes to the existing rules to better serve the underwriting of applications submitted under various Department programs;

**NOW, therefore, it is hereby**

**RESOLVED**, that the referenced repeal and new rules are hereby adopted and 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 adoption of the repeal of 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D and the adoption of new 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D regarding the Underwriting and Loan Policies, in the forms presented to this meeting, to be published in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation subchapter specific preambles.

**BACKGROUND**

On September 12, 2013, the Department's Governing Board approved the proposed repeal and new Underwriting and Loan Policy rules for publication in the *Texas Register* and public comment.

On September 27, 2013, the repeal and proposed 2014 rules were published in the *Texas Register*. Upon publication, an official public comment period commenced on September 27, 2013, and ended on October 21, 2013.

In addition to publishing the proposed new rule in the *Texas Register*, a copy was published on the Department's web site. The Department held a public hearing in Austin on October 1, 2013. No public comment was received at the hearing. No comment was received on the repeal of the rules. Two written comments were received on the proposed rule and are addressed in the Reasoned Response.

In keeping with the requirements of the Administrative Procedures Act staff has reviewed the comments received and is providing a reasoned response to each comment herein. As part of each response, staff also provides a recommendation as to accepting the comment or not accepting the comment.



**Attachment A: Preamble, Reasoned Response and Repeal of 10 TAC, Chapter 10, Subchapter D, concerning 2013 Underwriting and Loan Policies.**

The Texas Department of Housing and Community Affairs (the "Department") adopts the repeal of 10 TAC Chapter 10, Subchapter D, concerning 2013 Underwriting and Loan Policies without changes to the proposed text as published in the September 27, 2013 issue of the *Texas Register* (38 TexReg 6386) and will not be republished.

REASONED JUSTIFICATION. This repeal was published concurrently with the proposed adoption of the new 10 TAC Chapter 10, Subchapter D, concerning 2013 Underwriting and Loan Policies. The purpose of the repeal is to allow for the rewrite of major portions of the rule.

The Department accepted public comments between September 27, 2013 and October 21, 2013. Comments regarding the repeal were accepted in writing via fax and email. No comments were received concerning the proposed repeal.

The Board approved the final order adopting the repeal on November 7, 2013.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code §2306.053, which authorizes the Department to adopt rules. Specifically Texas Government Code §2306.141 gives the Department the authority to promulgate rules governing the administration of its housing programs. The proposed repeal affects no other code, article or statute.

- 10.301. General Provisions.
- 10.302. Underwriting Rules and Guidelines.
- 10.303. Market Analysis Rules and Guidelines.
- 10.304. Appraisal Rules and Guidelines.
- 10.305. Environmental Site Assessment Rules and Guidelines.
- 10.306. Property Condition Assessment Guidelines.
- 10.307. Direct Loan Requirements.

**Attachment B: Preamble, Reasoned Response and New 10 TAC, Chapter 10, Uniform Multifamily Rules, Subchapter D, §§10.301 – 10.307, Underwriting and Loan Policy**

The Texas Department of Housing and Community Affairs (the "Department") adopts new 10 TAC, Chapter 10, Subchapter D, §§10.301 – 10.307, concerning Underwriting and Loan Policy, without changes to the proposed text as published in the September 27, 2013 issue of the *Texas Register* (38 TexReg 6386) and will not be republished.

**REASONED JUSTIFICATION FOR THE RULE:** The proposed new 10 TAC, Chapter 10, Subchapter D, §§10.301 – 10.307, concerning Underwriting and Loan Policy was published concurrently with the proposed repeal of the same section. The new rule clarifies language that was previously potentially causing uncertainty and will ensure accurate processing of underwriting activities and communicate the underwriting analysis and recommendations for funding or award by the Department more effectively.

**SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS:** The Department accepted public comments between September 27, 2013 and October 21, 2013. Comments regarding the new sections were accepted at a public hearing and in writing and by facsimile. Written comments were received from (1) R. L. "Bobby" Bowling IV, Tropicana Building Corporation; and, (2) Barry Kahn, Hettig-Kahn Development.

§10.302(i)(6)(B)(i) & (iii) Exceptions to Feasibility Conclusions. (1)

**COMMENT:** Commenter (1) stated: "This section of the rules allow for the TDHCA underwriting feasibility rules to be ignored in their entirety if a PHA dedicates its own Section 8 Project-Based vouchers to at least 50% of its development or characterizes at least 50% of its development as "public housing." The supposition in this language (dating back several years) is that the Federal Government will "bail-out" a deal that becomes infeasible—a supposition that we believe is in error and at the very least bad public policy. We believe that this section should be stricken from the rules as it holds private developers to a much stricter standard than for PHAs. The tax credit program has been the most successful affordable housing program ever created by the federal government and in Texas mainly due to the fact that private sector developers have been the major players in the program, especially in Texas. If it is the Department's wish to allow public sector PHA's to compete with private developers, then at least a level playing field should be established and all developers should have to follow the same underwriting rules. Further, in this economic and fiscal climate, the Federal Government is likely to lessen support of or eliminate entirely both the Section 8 program and the Public Housing program, leaving TDHCA to deal with infeasible projects over the long-term if this rule is not changed. PHAs have repeatedly testified to TDHCA at public hearings that funding from the Federal Government continues to be cut back each year, and HUD funding to PHAs is, at the very least, questionable in the future."

**STAFF RESPONSE:** The feasibility exemptions for developments receiving Project-based Section 8 Rental Assistance for at least 50% of the units or developments characterized as public housing as defined by HUD for at least 50% of the units are necessary due to the unique characteristics of these types of developments. The rental assistance and/or operating subsidies from HUD under these programs is determined by HUD in an amount to cover operating expenses and debt service that is not otherwise paid for with non-subsidized rental income. As such, the expense to income ratio threshold cannot be achieved. Additionally, the long-term debt coverage ratio (based on projecting expense

increases greater than rent increases per REA rule) typically falls below the long-term debt coverage ratio floor of 1.15:1 times. Without these exemptions, these types of developments would generally not be deemed financially feasible under REA rules and therefore not recommended for approval under any of TDHCA's programs.

With regard to the future viability of the continued federal funding of subsidies provided to the PHA's, there is recognized risk that future federal funding will be reduced or eliminated which is often mitigated in the private sector by lenders and syndicators requiring more significant reserves for this contingency. The Department will underwrite to those reserves when required by a lender or syndicator, however establishing a State standard for such reserves or other mitigation would be premature. Moreover, the Department has limited authority to manage such a potentially large mitigation reserve in the long run.

These exemptions stem from the mathematical realities for underwriting these types of developments based on HUD's program design and assistance methodology. The underwriting exceptions themselves are not targeted to provide any developer an unfair advantage in the programs. Any policy decisions to be made to encourage or discourage such developments would be more appropriately addressed by the scoring or eligibility criteria in the QAP or general multifamily rules.

Staff does not recommend any change based on this comment.

#### §10.302(d)(4)(D) Acceptable Debt Coverage Ratio Range.

COMMENT: Commenter (2) suggests that the acceptable debt coverage ratio range be modified to a minimum 1.20:1 up to a maximum 1.40:1. Commenter states that if the long-term pro forma uses income and expense growth assumptions of 1% and 3%, respectively, (versus the 2% and 3% provided in current rule), that an initial 1.20:1 debt coverage ratio is required to maintain feasibility over the first 15 years of the long term pro forma.

STAFF RESPONSE: The initial acceptable debt coverage ratio range is a reasonable benchmark to be used for feasibility determination, tax credit sizing and loan structuring purposes. Whether a project's operating pro forma indicates an acceptable initial debt coverage ratio is dependent on many factors specific and unique to each transaction including the amount and terms of the proposed debt as indicated by the applicant, the project's expense to income ratio and the resident income and rental rate targeting applied for by the applicant. Adjusting the debt coverage range itself without making adjustments to other benchmarks or considering the impact on other feasibility thresholds is not recommended.

Staff does not recommend any change based on this comment.

The Board approved the final order adopting the new sections on November 7, 2013.

STATUTORY AUTHORITY. The new sections were adopted pursuant to the authority of Texas Government Code, §2306.053 which authorizes the Department to adopt rules. Specifically Texas Government Code §2306.141 gives the Department the authority to promulgate rules governing the administration of its housing programs. The proposed repeal affects no other code, article or statute.

### **§10.301. General Provisions.**

(a) **Purpose.** This subchapter applies to the underwriting, Market Analysis, appraisal, Environmental Site Assessment, Property Condition Assessment, and Direct Loan standards employed by the Department. This subchapter provides rules for the underwriting review of an affordable housing Development's financial feasibility and economic viability that ensures the most efficient allocation of resources while promoting and preserving the public interest in ensuring the long-term health of the Department's portfolio. In addition, this chapter guides staff in making recommendations to the Executive Award and Review Advisory Committee (the "Committee"), Executive Director, and the Board to help ensure procedural consistency in the determination of Development feasibility (Texas Government Code, §§2306.081(c), 2306.185, and 2306.6710(d)). Due to the unique characteristics of each Development the interpretation of the rules and guidelines described in this subchapter is subject to the discretion of the Department and final determination by the Board.

(b) **Appeals.** Certain programs contain express appeal options. Where not indicated, §10.902 of this chapter (relating to Appeals Process (§2306.0321; §2306.6715)). In addition, the Department encourages the use of Alternative Dispute Resolution (ADR) methods, as outlined in §10.904 of this chapter (relating to Alternative Dispute Resolution (ADR) Policy).

### **§10.302. Underwriting Rules and Guidelines.**

(a) **General Provisions.** Pursuant to Texas Government Code, §2306.148 and §2306.185(b), the Board is authorized to adopt underwriting standards as set forth in this section. Furthermore, for Housing Credit Allocation, §42(m)(2) of the Internal Revenue Code (the "Code"), requires the tax credits allocated to a Development not to exceed the amount necessary to assure feasibility. The rules of the Texas Government Code and the Code, resulting in a Credit Underwriting Analysis Report used by the Board in decision making with the goal to assist as many Texans as possible by providing no more financing than necessary based on an independent analysis of Development feasibility. The Report considers all information timely provided by the Applicant. The Report generated in no way guarantees or purports to warrant the actual performance, feasibility, or viability of the Development.

(b) **Report Contents.** The Report provides a synopsis and reconciliation of the Application information submitted by the Applicant. The Report contents will be based solely upon information that is provided in accordance with the timeframes provided in the current Qualified Allocation Plan (QAP) or Notice of Funds Availability (NOFA), as applicable.

(c) **Recommendations in the Report.** The conclusion of the Report includes a recommended award of funds or Housing Credit Allocation Amount based on the lesser amount calculated by the program limit method, if applicable, gap/debt coverage ratio ("DCR") method, or the amount requested by the Applicant as further described in paragraphs (1) - (3) of this subsection, and states any feasibility conditions to be placed on the award.

- (1) **Program Limit Method.** For Applicants requesting a Housing Credit Allocation, this method is based upon calculation of Eligible Basis after applying all cost verification measures and program limits as described in this section. The Applicable Percentage used is as defined in §10.3 of this chapter (relating to Definitions). For Applicants requesting funding through a Department

program other than Housing Tax Credits, this method is based upon calculation of the funding limit based on the current program rules or NOFA at the time of underwriting.

- (2) **Gap/DCR Method.** This method evaluates the amount of funds needed to fill the gap created by Total Housing Development Cost less total non-Department-sourced funds or Housing Tax Credits. In making this determination, the Underwriter resizes any anticipated deferred developer fee down to zero before reducing the amount of Department funds or Housing Tax Credits. In the case of Housing Tax Credits, the syndication proceeds needed to fill the gap in permanent funds are divided by the syndication rate to determine the amount of Housing Tax Credits. In making this determination and based upon specific conditions set forth in the Report, the Underwriter may assume adjustments to the financing structure or make adjustments to any Department financing, such that the cumulative DCR conforms to the standards described in this section.
- (3) **The Amount Requested.** The amount of funds that is requested by the Applicant as reflected in the original Application documentation.

(d) **Operating Feasibility.** The operating financial feasibility of developments funded by the Department is tested by subtracting operating expenses, including replacement reserves and taxes, from income to determine Net Operating Income. The annual Net Operating Income is divided by the cumulative annual debt service required to be paid to determine the Debt Coverage Ratio. The Underwriter characterizes a Development as infeasible from an operational standpoint when the DCR does not meet the minimum standard set forth in paragraph (4)(D) of this subsection. The Underwriter may model adjustments to the financing structure, which could result in a re-characterization of the Development as feasible based upon specific conditions set forth in the Report.

- (1) **Income.** In determining the first year stabilized pro forma, the Underwriter evaluates the reasonableness of the Applicant's income estimate by determining the appropriate rental rate per unit based on contract, program and market factors. Miscellaneous income and vacancy and collection loss limits as set forth in subparagraphs (B) and (C) of this paragraph, respectively, are applied unless well-documented support is provided.

(A) **Rental Income.** The Underwriter will independently calculate the Pro Forma Rent for comparison to the Applicant's estimate in the Application.

- (i) **Market Rents.** The Underwriter will use the Market Analyst's conclusion of Market Rent if reasonably justified and supported by the attribute adjustment matrix of Comparable Units as described in §10.303 of this chapter (relating to Market Analysis Rules and Guidelines). Independently determined Market Rents by the Underwriter may be used based on rent information gained from direct contact with comparable properties, whether or not used by the Market Analyst, and other market data sources.
- (ii) **Net Program Rents.** The Underwriter reviews the Applicant's proposed rent schedule and determines if it is consistent with the representations made in the remainder of the Application. The Underwriter uses the Gross Program Rents for the year that is most current at the time the underwriting begins. When underwriting for a simultaneously funded competitive round, all Applications are underwritten with the Gross Program Rents for the same year. If Gross Program Rents are adjusted by the Department after the close of the Application Acceptance Period but prior to publication of the Report, the Underwriter may adjust the Applicant's Effective Gross Income ("EGI") to account for any increase or decrease in Gross Program Rents for the purposes of determining the reasonableness of the Applicant's EGI.

- (I) Units must be individually metered for all utility costs to be paid by the tenant.
  - (II) Gas utilities are verified on the building plans and elsewhere in the Application when applicable.
  - (III) Trash allowances paid by the tenant are rare and only considered when the building plans allow for individual exterior receptacles.
  - (IV) Refrigerator and range allowances are not considered part of the tenant-paid utilities unless the tenant is expected to provide their own appliances, and no eligible appliance costs are included in the Total Housing Development Cost schedule.
- (iii) **Contract Rents.** The Underwriter reviews rental assistance contracts to determine the Contract Rents currently applicable to the Development. Documentation supporting the likelihood of continued rental assistance is also reviewed. The Underwriter will take into consideration the Applicant's intent to request a Contract Rent increase. At the discretion of the Underwriter, the Applicant's proposed rents may be used as the Pro Forma Rent with the recommendations of the Report conditioned upon receipt of final approval of such increase.
- (B) **Miscellaneous Income.** All ancillary fees and miscellaneous secondary income, including but not limited to late fees, storage fees, laundry income, interest on deposits, carport rent, washer and dryer rent, telecommunications fees, and other miscellaneous income, are anticipated to be included in a \$5 to \$20 per Unit per month range. Exceptions may be made at the discretion of the Underwriter for garage income, pass-through utility payments, pass-through water, sewer and trash payments, cable fees, congregate care/assisted living/elderly facilities, and child care facilities.
- (i) Exceptions must be justified by operating history of existing comparable properties.
  - (ii) The Applicant must show that the tenant will not be required to pay the additional fee or charge as a condition of renting a Unit and must show that the tenant has a reasonable alternative.
  - (iii) The Applicant's operating expense schedule should reflect an itemized offsetting cost associated with income derived from pass-through utility payments, pass-through water, sewer and trash payments, and cable fees.
  - (iv) Collection rates of exceptional fee items will generally be heavily discounted.
  - (v) If an additional fee is charged for the use of an amenity, any cost associated with the construction, acquisition, or development of the hard assets needed to produce the additional fee for such amenity must be excluded from Eligible Basis.
- (C) **Vacancy and Collection Loss.** The Underwriter generally uses a vacancy rate of 7.5 percent (5 percent vacancy plus 2.5 percent for collection loss). The Underwriter may use other assumptions based on conditions in the immediate market area. Qualified Elderly Developments and 100 percent project-based rental subsidy developments and other well documented cases may be underwritten at a combined 5 percent at the discretion of the Underwriter if the historical performance reflected in the Market Analysis is consistently higher than a 95 percent occupancy rate.
- (D) **Effective Gross Income (EGI).** The Underwriter independently calculates EGI. If the EGI estimate provided by the Applicant is within 5 percent of the EGI calculated by the Underwriter, the Applicant's EGI is characterized as reasonable in the Report; however, for purposes of calculating DCR the Underwriter's pro forma will be used unless the Applicant's pro forma meets the requirements of paragraph (3) of this subsection.

- (2) **Expenses.** In determining the first year stabilized pro forma, the Underwriter evaluates the reasonableness of the Applicant's expense estimate by line item comparisons based upon the specifics of each transaction, including the Development type, the size of the Units, and the Applicant's expectations as reflected in their pro forma. Historical stabilized certified financial statements of the Development or Third Party quotes specific to the Development will reflect the strongest data points to predict future performance. The TDHCA Database of properties in the same location or region as the proposed Development also provides heavily relied upon data points; expense data from the TDHCA Database is available on the TDHCA website. Data from the Institute of Real Estate Management's (IREM) most recent Conventional Apartments-Income/Expense Analysis book for the proposed Development's property type and specific location or region may be referenced. In some cases local or project-specific data such as Public Housing Authority ("PHA") Utility Allowances and property tax rates are also given significant weight in determining the appropriate line item expense estimate. Estimates of utility savings from green building components, including on-site renewable energy, must be documented by an unrelated contractor or component vendor. Well documented information provided in the Market Analysis, Appraisal, the Application, and other sources may be considered.
- (A) **General and Administrative Expense ("G&A")**--Expense for operational accounting fees, legal fees, advertising and marketing expenses, office operation, supplies, and equipment expenses. G&A does not include partnership related expenses such as asset management, accounting or audit fees. Costs of tenant services are not included in G&A.
  - (B) **Management Fee.** Fee paid to the property management company to oversee the operation of the Property and is most often based upon a percentage of Effective Gross Income as documented in a property management agreement. Typically, 5 percent of the Effective Gross Income is used, though higher percentages for rural transactions may be used. Percentages as low as 3 percent may be used if well documented.
  - (C) **Payroll Expense.** Expense for direct on-site staff payroll, insurance benefits, and payroll taxes including payroll expenses for repairs and maintenance typical of a comparable development. It does not, however, include direct security payroll or additional tenant services payroll.
  - (D) **Repairs and Maintenance Expense.** Expense for repairs and maintenance, Third-Party maintenance contracts and supplies. It should not include capitalized expenses that would result from major replacements or renovations. Direct payroll for repairs and maintenance activities are included in payroll expense.
  - (E) **Utilities Expense.** Utilities expense includes all gas and electric energy expenses paid by the Development.
  - (F) **Water, Sewer, and Trash Expense ("WST").** Includes all water, sewer and trash expenses paid by the Development.
  - (G) **Insurance Expense.** Insurance expense includes any insurance for the buildings, contents, and general liability but not health or workman's compensation insurance.
  - (H) **Property Tax.** Includes real property and personal property taxes but not payroll taxes.
    - (i) An assessed value will be calculated based on the capitalization rate published by the county taxing authority. If the county taxing authority does not publish a capitalization rate, a capitalization rate of 10 percent or a comparable assessed value may be used.
    - (ii) Property tax exemptions or a Proposed Payment In Lieu Of Tax (PILOT) agreement must be documented as being reasonably achievable. At the discretion of the Underwriter, a property tax exemption that meets known federal, state and local laws

may be applied based on the tax-exempt status of the Development Owner and its Affiliates.

- (I) **Reserves.** An annual reserve for replacements of future capital expenses and any ongoing operating reserve requirements. The Underwriter includes minimum reserves of \$250 per Unit for New Construction and Reconstruction Developments and \$300 per Unit for all other Developments. The Underwriter may require an amount above \$300 for the Development based on information provided in the PCA. The Applicant's assumption for reserves may be adjusted by the Underwriter if the amount provided by the Applicant is insufficient to fund capital needs as documented by the PCA during the first fifteen (15) years of the long term pro forma. Higher reserves may be used if documented by a primary lender or syndicator.
  - (J) **Other Expenses.** The Underwriter will include other reasonable and documented expenses. These include audit fees, tenant services, security expense and compliance fees. This category does not include depreciation, interest expense, lender or syndicator's asset management fees, or other ongoing partnership fees. The most common other expenses are described in more detail in clauses (i) - (iv) of this subparagraph.
    - (i) **Tenant Services.** Cost to the Development of any non-traditional tenant benefit such as payroll for instruction or activities personnel and associated operating expenses. Tenant services expenses are considered in calculating the DCR.
    - (ii) **Security Expense.** Contract or direct payroll expense for policing the premises of the Development.
    - (iii) **Compliance Fees.** Include only compliance fees charged by the Department and are considered in calculating the Debt DCR.
    - (iv) **Cable Television Expense.** Includes fees charged directly to the Development Owner to provide cable services to all Units. The expense will be considered only if a contract for such services with terms is provided and income derived from cable television fees is included in the projected EGI. Cost of providing cable television in only the community building should be included in G&A as described in subparagraph (A) of this paragraph.
  - (K) The Underwriter may request additional documentation supporting some, none or all expense line items. If a rationale acceptable to the Underwriter for the difference is not provided, the discrepancy is documented in the Report. If the Applicant's total expense estimate is within 5 percent of the final total expense figure calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating DCR the Underwriter's independent calculation will be used unless the Applicant's first year stabilized pro forma meets the requirements of paragraph (3) of this subsection.
- (3) **Net Operating Income (“NOI”).** The difference between the EGI and total operating expenses. If the first year stabilized NOI figure provided by the Applicant is within 5 percent of the NOI calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating the first year stabilized pro forma DCR the Underwriter will maintain and use his independent calculation of NOI unless the Applicant's first year stabilized EGI, total expenses, and NOI are each within 5 percent of the Underwriter's estimates.
- (4) **Debt Coverage Ratio.** DCR is calculated by dividing NOI by the sum of scheduled loan principal and interest payments for all permanent sources of funds. Loan principal and interest payments



are calculated based on the terms indicated in the term sheet(s) for financing submitted in the Application. Unusual or non-traditional financing structures may also be considered.

- (A) **Interest Rate.** The rate documented in the term sheet(s) will be used for debt service calculations. Term sheets indicating a variable interest rate must provide a breakdown of the rate index and component rates comprising an all-in interest rate. The term sheet(s) must state the lender's underwriting interest rate, or the Applicant must submit a separate statement from the lender with an estimate of the interest rate as of the date of such statement. The Underwriter may adjust the underwritten interest rate based on data collected on similarly structured transactions or rate index history.
- (B) **Amortization Period.** The Department generally requires an amortization of not less than thirty (30) years and not more than forty (40) years (fifty (50) years for federally sourced loans), or an adjustment to the amortization is made for the purposes of the analysis and recommendations. In non-Housing Tax Credit transactions a lesser amortization period may be used if the Department's funds are fully amortized over the same period.
- (C) **Repayment Period.** For purposes of projecting the DCR over a 30-year period for developments with permanent financing structures with balloon payments in less than thirty (30) years, the Underwriter will carry forward debt service based on a full amortization at the interest rate stated in the term sheet(s).
- (D) **Acceptable Debt Coverage Ratio Range.** The acceptable first year stabilized pro forma DCR for all priority or foreclosable lien financing plus the Department's proposed financing must be between a minimum of 1.15 and a maximum of 1.35.
  - (i) For Developments other than HOPE VI and USDA transactions, if the DCR is less than the minimum, the recommendations of the Report may be based on an assumed reduction to debt service and the Underwriter will make adjustments to the assumed financing structure in the order presented in subclauses (I) - (III) of this clause:
    - (I) a reduction of the interest rate or an increase in the amortization period for Direct Loans;
    - (II) a reclassification of Direct Loans to reflect grants, if permitted by program rules;
    - (III) a reduction in the permanent loan amount for non-Department funded loans based upon the rates and terms in the permanent loan term sheet(s) as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.
  - (ii) If the DCR is greater than the maximum, the recommendations of the Report may be based on an assumed increase to debt service and the Underwriter will make adjustments to the assumed financing structure in the order presented in subclauses (I) - (III) of this clause:
    - (I) reclassification of Department funded grants to reflect loans, if permitted by program rules;
    - (II) an increase in the interest rate or a decrease in the amortization period for Direct Loans;
    - (III) an increase in the permanent loan amount for non-Department funded loans based upon the rates and terms in the permanent loan term sheet as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.
  - (iii) For Housing Tax Credit Developments, a reduction in the recommended Housing Credit Allocation Amount may be made based on the gap/DCR method described in subsection (c)(2) of this section.

(iv) Although adjustments in debt service may become a condition of the Report, future changes in income, expenses, and financing terms could allow for an acceptable DCR.

- (5) **Long Term Pro forma.** The Underwriter will create a 30-year operating pro forma.
- (A) The Underwriter's first year stabilized pro forma is utilized unless the Applicant's first year stabilized EGI, operating expenses, and NOI are each within 5 percent of the Underwriter's estimates.
  - (B) A 2 percent annual growth factor is utilized for income and a 3 percent annual growth factor is utilized for expenses.
  - (C) Adjustments may be made to the long term pro forma if satisfactory support documentation is provided by the Applicant or as determined by the Underwriter.

(e) **Total Housing Development Costs.** The Development's need for permanent funds and, when applicable, the Development's Eligible Basis is based upon the projected Total Housing Development Cost. The Department's estimate of the Total Housing Development Cost will be based on the Applicant's development cost schedule to the extent that it can be verified to a reasonable degree of certainty with documentation from the Applicant and tools available to the Underwriter. For New Construction Developments, the Underwriter's total cost estimate will be used unless the Applicant's Total Housing Development Cost is within 5 percent of the Underwriter's estimate. The Department's estimate of the Total Housing Development Cost for acquisition/Rehabilitation will be based in accordance with the PCA's estimated cost for the scope of work as defined by the Applicant and §10.306(a)(5) of this chapter (relating to Property Condition Assessment Guidelines). If the Applicant's is utilized and the Applicant's line item costs are inconsistent with documentation provided in the Application or program rules, the Underwriter may make adjustments to the Applicant's Total Housing Development Cost.

- (1) **Acquisition Costs.** The underwritten acquisition cost is verified with Site Control document(s) for the Property.
- (A) **Excess Land Acquisition.** In cases where more land is to be acquired (by the Applicant or a Related Party) than will be utilized as the Development Site and the remainder acreage is not accessible for use by tenants or dedicated as permanent and maintained green space, the value ascribed to the proposed Development Site will be prorated based on acreage from the total cost reflected in the Site Control document(s). An appraisal containing segregated values for the total acreage, the acreage for the Development Site and the remainder acreage, or tax assessment value may be used by the Underwriter in making a proration determination based on relative value; however, the Underwriter will not utilize a prorated value greater than the total amount in the Site Control document(s).
  - (B) **Identity of Interest Acquisitions.**
    - (i) An acquisition will be considered an identity of interest transaction when the seller is an Affiliate of, a Related Party to, any owner at any level of the Development Team or a Related Party lender; and
      - (I) is the current owner in whole or in part of the Property; or
      - (II) has or had within the prior 36 months, legal or beneficial ownership of the property or any portion thereof or interest therein prior to the first day of the Application Acceptance Period.
    - (ii) In all identity of interest transactions the Applicant is required to provide:

- (I) the original acquisition cost evidenced by an executed settlement statement or, if a settlement statement is not available, the original asset value listed in the most current financial statement for the identity of interest owner; and
  - (II) if the original acquisition cost evidenced by subclause (I) of this clause is less than the acquisition cost stated in the application:
    - (-a-) an appraisal that meets the requirements of §10.304 of this chapter (relating to Appraisal Rules and Guidelines); and
    - (-b-) any other verifiable costs of owning, holding, or improving the Property, excluding seller financing, that when added to the value from subclause (I) of this clause justifies the Applicant's proposed acquisition amount.
      - (-1-) For land-only transactions, documentation of owning, holding or improving costs since the original acquisition date may include property taxes, interest expense to unrelated Third Party lender(s), capitalized costs of any physical improvements, the cost of zoning, platting, and any off-site costs to provide utilities or improve access to the Property. All allowable holding and improvement costs must directly benefit the proposed Development by a reduction to hard or soft costs. Additionally, an annual return of 10 percent may be applied to the original capital investment and documented holding and improvement costs; this return will be applied from the date the applicable cost is incurred until the date of the Department's Board meeting at which the Grant, Direct Loan and/or Housing Credit Allocation will be considered.
      - (-2-) For transactions which include existing buildings that will be rehabilitated or otherwise retained as part of the Development, documentation of owning, holding, or improving costs since the original acquisition date may include capitalized costs of improvements to the Property, and in the case of USDA financed Developments the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure. Additionally, an annual return of 10 percent may be applied to the original capital investment and documented holding and improvement costs; this return will be applied from the date the applicable cost was incurred until the date of the Department's Board meeting at which the Grant, Direct Loan and/or Housing Credit Allocation will be considered. For any period of time during which the existing buildings are occupied or otherwise producing revenue, holding costs may not include capitalized costs, operating expenses, including, but not limited to, property taxes and interest expense.
- (iii) In no instance will the acquisition cost utilized by the Underwriter exceed the lesser of the original acquisition cost evidenced by clause (ii)(I) of this subparagraph plus costs identified in clause (ii)(II)(-b-) of this subparagraph, or if applicable the "as-is" value

conclusion evidenced by clause (ii)(II)(-a-) of this subparagraph. The resulting acquisition cost will be referred to as the "Adjusted Acquisition Cost."

(C) **Eligible Basis on Acquisition of Buildings.** Building acquisition cost, excluding acquired reserve balances, will be included in the underwritten Eligible Basis if the Applicant provided an appraisal that meets the Department's Appraisal Rules and Guidelines as described in §10.304 of this chapter. The underwritten eligible building cost will be the lowest of the values determined based on clauses (i) - (iii) of this subparagraph:

- (i) the Applicant's stated eligible building acquisition cost;
- (ii) the total acquisition cost reflected in the Site Control document(s), or the Adjusted Acquisition Cost (as defined in subparagraph (B)(iii) of this paragraph), prorated using the relative land and building values indicated by the applicable appraised value;
- (iii) total acquisition cost reflected in the Site Control document(s), or the Adjusted Acquisition Cost (as defined in subparagraph (B)(iii) of this paragraph), less the appraised "as-vacant" land value; or
- (iv) the Underwriter will use the value that best corresponds to the circumstances presently affecting the Development and that will continue to affect the Development after transfer to the new owner in determining the building value. Any value of existing favorable financing will be attributed prorata to the land and buildings.

(2) **Off-Site Costs.** The Underwriter will only consider costs of Off-Site Construction that are well documented and certified to by a Third Party engineer on the required Application forms and supporting documentation.

(3) **Site Work Costs.** The Underwriter will only consider costs of Site Work that are well documented and certified to by a Third Party engineer on the required Application forms and supporting documentation.

(4) **Building Costs.**

(A) **New Construction and Reconstruction.** The Underwriter will use the Marshall and Swift Residential Cost Handbook, other comparable published Third-Party cost estimating data sources, historical final cost certifications of previous Housing Tax Credit developments and other acceptable cost data available to the Underwriter to estimate Building Cost. Generally, the "Average Quality" multiple, townhouse, or single family costs, as appropriate, from the Marshall and Swift Residential Cost Handbook or other comparable published Third-Party data source, will be used based upon details provided in the Application and particularly building plans and elevations. The Underwriter will consider amenities, specifications and development types not included in the Average Quality standard.

(B) **Rehabilitation and Adaptive Reuse.**

- (i) The Applicant must provide a detailed narrative description of the scope of work for the proposed rehabilitation.
- (ii) The Underwriter will use cost data provided by the Property Condition Assessment (PCA). In the case where the PCA is inconsistent with the Applicant's estimate as proposed in the Total Housing Development Cost schedule and/or the Applicant's scope of work, the Underwriter may request a supplement executed by the PCA provider reconciling the Applicant's estimate and detailing the difference in costs. If the Underwriter determines that the reasons for the initial difference in costs are not well-documented, the Underwriter utilizes the initial PCA estimations.

(5) **Contingency.** All contingencies identified in the Applicant's project cost schedule including any soft cost contingency will be limited to a maximum of 7 percent of Building Cost plus Site Work

and off-sites for New Construction and Reconstruction Developments and 10 percent of Building Cost plus Site Work and off-sites for Rehabilitation and Adaptive Reuse Developments. For Housing Tax Credit Developments, the percentage is applied to the sum of the eligible Building Cost, eligible Site Work costs and eligible off-site costs in calculating the eligible contingency cost. The Applicant's estimate is used by the Underwriter if less than the 7 percent or 10 percent limit, as applicable, but in no instance less than 5 percent.

- (6) **Contractor Fee.** Contractor fees include general requirements, contractor overhead, and contractor profit. General requirements include, but are not limited to, on-site supervision or construction management, off-site supervision and overhead, jobsite security, equipment rental, storage, temporary utilities and other indirect costs. Contractor fees are limited to a total of 14 percent on Developments with Hard Costs of \$3 million or greater, the lesser of \$420,000 or 16 percent on Developments with Hard Costs less than \$3 million and greater than \$2 million, and the lesser of \$320,000 or 18 percent on Developments with Hard Costs at \$2 million or less. For tax credit Developments, the percentages are applied to the sum of the Eligible Hard Costs in calculating the eligible contractor fees. For Developments also receiving financing from USDA, the combination of builder's general requirements, builder's overhead, and builder's profit should not exceed the lower of TDHCA or USDA requirements. Additional fees for ineligible costs will be limited to the same percentage of ineligible Hard Costs but will not be included in Eligible Basis.

(7) **Developer Fee.**

- (A) For Housing Tax Credit Developments, the Developer fees and Development Consultant fees included in Eligible Basis cannot exceed 15 percent of the project's eligible costs, less Developer fees, for Developments proposing fifty (50) Units or more and 20 percent of the project's eligible costs, less Developer fees, for Developments proposing forty-nine (49) Units or less.
- (B) Any additional Developer fee claimed for ineligible costs will be limited to the same percentage but applied only to ineligible Hard Costs (15 percent for Developments with fifty (50) or more Units, or 20 percent for Developments with forty-nine (49) or fewer Units). Any Developer fee above this limit will be excluded from Total Housing Development Costs. All fees to Affiliates and/or Related Parties for work or guarantees determined by the Underwriter to be typically completed or provided by the Developer or Principal(s) of the Developer will be considered part of Developer fee.
- (C) In the case of a transaction requesting acquisition Housing Tax Credits:
- (i) the allocation of eligible Developer fee in calculating Rehabilitation/New Construction Housing Tax Credits will not exceed 15 percent of the Rehabilitation/New Construction eligible costs less Developer fees for Developments proposing fifty (50) Units or more and 20 percent of the Rehabilitation/New Construction eligible costs less Developer fees for Developments proposing forty-nine (49) Units or less; and
  - (ii) no Developer fee attributable to an identity of interest acquisition of the Development will be included.
- (D) Eligible Developer fee is multiplied by the appropriate Applicable Percentage depending whether it is attributable to acquisition or rehabilitation basis.(E) For non-Housing Tax Credit developments, the percentage can be up to 15 percent but is based upon Total Housing Development Cost less the sum of the fee itself, land costs, the costs of permanent financing, excessive construction period financing described in paragraph (8) of this subsection, reserves, and any identity of interest acquisition cost.

- (8) **Financing Costs.** Eligible construction period interest is limited to the lesser of actual eligible construction period interest, or the interest on one (1) year's fully drawn construction period loan funds at the construction period interest rate indicated in the term sheet(s). Any excess over this amount will not be included in Eligible Basis. Construction period interest on Related Party construction loans is not included in Eligible Basis.
- (9) **Reserves.** The Underwriter will utilize the amount described in the Applicant's project cost schedule if it is within the range of two (2) to six (6) months of stabilized operating expenses plus debt service. Alternatively, the Underwriter may consider a greater amount proposed by the first lien lender or syndicator if the detail for such greater amount is reasonable and well documented. Reserves do not include capitalized asset management fees, guaranty reserves or other similar costs. Lease up reserves, exclusive of initial start-up costs, funding of other reserves and interim interest, may be considered with documentation showing assumptions acceptable to the Underwriter. In no instance will total reserves exceed 12 months of stabilized operating expenses plus debt service (exclusive of transferred replacement reserves for USDA or HUD financed rehabilitation transactions).
- (10) **Other Soft Costs.** For Housing Tax Credit Developments, all other soft costs are divided into eligible and ineligible costs. Eligible costs are defined by Internal Revenue Code but generally are costs that can be capitalized in the basis of the Development for tax purposes. Ineligible costs are those that tend to fund future operating activities and operating reserves. The Underwriter will evaluate and apply the allocation of these soft costs in accordance with the Department's prevailing interpretation of the Internal Revenue Code. If the Underwriter questions the amount or eligibility of any soft costs, the Applicant will be given an opportunity to clarify and address the concern prior to completion of the Report.

**(f) Development Team Capacity and Development Plan.**

- (1) The Underwriter will evaluate and report on the overall capacity of the Development Team by reviewing aspects, including but not limited to those identified in subparagraphs (A) - (D) of this paragraph:
  - (A) personal credit reports for development sponsors, Developer fee recipients and those individuals anticipated to provide guarantee(s). The Underwriter will evaluate the credit report and identify any bankruptcy, state or federal tax liens or other relevant credit risks for compliance with eligibility and debarment requirements in this chapter;
  - (B) quality of construction, Rehabilitation, and ongoing maintenance of previously awarded housing developments by review of construction inspection reports, compliance on-site visits, findings of UPCS violations and other information available to the Underwriter;
  - (C) for Housing Tax Credit Developments, repeated or ongoing failure to timely submit cost certifications, requests for and clearance of final inspections, and timely response to deficiencies in the cost certification process;
  - (D) adherence to obligations on existing or prior Department funded developments with respect to program rules and documentation.
- (2) While all components of the development plan may technically meet the other individual requirements of this section, a confluence of serious concerns and unmitigated risks identified during the underwriting process will result in an Application being referred to the Committee. The Committee will review any recommendation made under this subsection to deny an Application

for a Grant, Direct Loan and/or Housing Credit Allocation prior to completion of the Report and posting to the Department's website.

(g) **Other Underwriting Considerations.** The Underwriter will evaluate additional feasibility elements as described in paragraphs (1) - (3) of this subsection.

- (1) **Floodplains.** The Underwriter evaluates the site plan, floodplain map, survey and other information provided to determine if any of the buildings, drives, or parking areas reside within the 100-year floodplain. If such a determination is made by the Underwriter, the Report will include a condition that:
  - (A) the Applicant must pursue and receive a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR-F); or
  - (B) the Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain and certify that the flood insurance will be obtained; and
  - (C) the Development must be designed to comply with the QAP, as proposed.
- (2) **Proximity to Other Developments.** The Underwriter will identify in the Report any developments funded or known and anticipated to be eligible for funding within one linear mile of the subject.
- (3) **Supportive Housing.** The unique development and operating characteristics of Supportive Housing Developments may require special consideration in these areas:
  - (A) **Operating Income.** The extremely-low-income tenant population typically targeted by a Supportive Housing Development may include deep-skewing of rents to well below the 50 percent AMGI level or other maximum rent limits established by the Department. The Underwriter should utilize the Applicant's proposed rents in the Report as long as such rents are at or below the maximum rent limit proposed for the units and equal to any project based rental subsidy rent to be utilized for the Development;
  - (B) **Operating Expenses.** A Supportive Housing Development may have significantly higher expenses for payroll, management fee, security, resident support services, or other items than typical affordable housing developments. The Underwriter will rely heavily upon the historical operating expenses of other Supportive Housing Developments provided by the Applicant or otherwise available to the Underwriter;
  - (C) **DCR and Long Term Feasibility.** Supportive Housing Developments may be exempted from the DCR requirements of subsection (d)(4)(D) of this section if the Development is anticipated to operate without conventional or "must-pay" debt. Applicants must provide evidence of sufficient financial resources to offset any projected 15-year cumulative negative Cash Flow. Such evidence will be evaluated by the Underwriter on a case-by-case basis to satisfy the Department's long term feasibility requirements and may take the form of one or a combination of: executed subsidy commitment(s); set-aside of Applicant's financial resources to be substantiated by current financial statements evidencing sufficient resources; and/or proof of annual fundraising success sufficient to fill anticipated operating losses. If either a set aside of financial resources or annual fundraising are used to evidence the long term feasibility of a Supportive Housing Development, a resolution from the Applicant's governing board must be provided confirming their irrevocable commitment to the provision of these funds and activities; and/or

- (D) **Total Housing Development Costs.** For Supportive Housing Developments designed with only Efficiency Units, the Underwriter may use "Average Quality" dormitory costs, or costs of other appropriate design styles from the Marshall & Swift Valuation Service, with adjustments for amenities and/or quality as evidenced in the Application, as a base cost in evaluating the reasonableness of the Applicant's Building Cost estimate for New Construction Developments.

(h) **Work Out Development.** Developments that are underwritten subsequent to Board approval in order to refinance or gain relief from restrictions may be considered infeasible based on the guidelines in this section, but may be characterized as "the best available option" or "acceptable available option" depending on the circumstances and subject to the discretion of the Underwriter as long as the option analyzed and recommended is more likely to achieve a better financial outcome for the property and the Department than the status quo.

(i) **Feasibility Conclusion.** An infeasible Development will not be recommended for a Grant, Direct Loan or Housing Credit Allocation unless the Underwriter can determine an alternative structure and/or conditions the recommendations of the Report upon receipt of documentation supporting an alternative structure. A Development will be characterized as infeasible if paragraph (1) or (2) of this subsection applies. The Development will be characterized as infeasible if one or more of paragraphs (3) - (5) of this subsection applies unless paragraph (6)(B) of this subsection also applies.

- (1) **Gross Capture Rate.** The method for determining the Gross Capture Rate for a Development is defined in §10.303(d)(11)(F) of this chapter. The Underwriter will independently verify all components and conclusions of the Gross Capture Rate and may at their discretion use independently acquired demographic data to calculate demand and may make a determination of the effective Gross Capture Rate based upon an analysis of the Sub-market. The Development:
- (A) is characterized as a Qualified Elderly Development and the Gross Capture Rate exceeds 10 percent for the total proposed Units; or
  - (B) is outside a Rural Area and targets the general population, and the Gross Capture Rate exceeds 10 percent for the total proposed Units; or
  - (C) is in a Rural Area and targets the general population, and the Gross Capture Rate exceeds 30 percent; or
  - (D) targets Persons with Disabilities and the Gross Capture Rate exceeds 30 percent.
  - (E) Developments meeting the requirements of subparagraph (A), (B), (C), or (D) of this paragraph may avoid being characterized as infeasible if clause (i) or (ii) of this subparagraph apply.
    - (i) **Replacement Housing.** The proposed Development is comprised of affordable housing which replaces previously existing affordable housing within the Primary Market Area as defined in §10.303 of this chapter on a Unit for Unit basis, and gives the displaced tenants of the previously existing affordable housing a leasing preference.
    - (ii) **Existing Housing.** The proposed Development is comprised of existing affordable housing which is at least 50 percent occupied and gives displaced existing tenants a leasing preference as stated in a relocation plan.
- (2) **Deferred Developer Fee.** Applicants requesting an allocation of tax credits where the estimated deferred Developer fee, based on the Underwriter's recommended financing structure, is not



repayable from Cash Flow within the first fifteen (15) years of the long term pro forma as described in subsection (d)(5) of this section.

- (3) **Pro Forma Rent.** The Pro Forma Rent for Units with rents restricted at 60 percent of AMGI is less than the Net Program Rent for Units with rents restricted at or below 50 percent of AMGI unless the Applicant accepts the Underwriter's recommendation, if any, that all restricted units have rents and incomes restricted at or below the 50 percent of AMGI level.
- (4) **Initial Feasibility.** The first year stabilized pro forma operating expense divided by the first year stabilized pro forma Effective Gross Income is greater than 68 percent for Rural Developments 36 Units or less and 65 percent for all other Developments.
- (5) **Long Term Feasibility.** Any year in the first fifteen (15) years of the Long Term Pro forma, as defined in subsection (d)(5) of this section, reflects:
  - (A) negative Cash Flow; or
  - (B) a Debt Coverage Ratio below 1.15.
- (6) **Exceptions.** The infeasibility conclusions may be excepted where either of the criteria apply.
  - (A) The requirements in this subsection may be waived by the Executive Director of the Department or by the Committee if documentation is submitted by the Applicant to support unique circumstances that would provide mitigation.
  - (B) Developments not meeting the requirements of one or more of paragraphs (3) - (5) of this subsection will be re-characterized as feasible if one or more of clauses (i) - (v) of this subparagraph apply.
    - (i) The Development will receive Project-based Section 8 Rental Assistance for at least 50 percent of the Units and a firm commitment with terms including Contract Rent and number of Units is submitted at Application.
    - (ii) The Development will receive rental assistance for at least 50 percent of the Units in association with USDA financing.
    - (iii) The Development will be characterized as public housing as defined by HUD for at least 50 percent of the Units or HOPE VI financed transactions.
    - (iv) The Development will be characterized as Supportive Housing for at least 50 percent of the Units and evidence of adequate financial support for the long term viability of the Development is provided.
    - (v) The Development has other long term project based restrictions on rents for at least 50 percent of the Units that allow rents to increase based upon expenses and the Applicant's proposed rents are at least 10 percent lower than both the Net Program Rent and Market Rent.

### **§10.303. Market Analysis Rules and Guidelines.**

(a) **General Provision.** A Market Analysis prepared for the Department must evaluate the need for decent, safe, and sanitary housing at rental rates or sales prices that eligible tenants can afford. The analysis must determine the feasibility of the subject Property rental rates or sales price and state conclusions as to the impact of the Property with respect to the determined housing needs. The Market Analysis must include a statement that the report preparer has read and understood the requirements of this section.

(b) **Self-Contained.** A Market Analysis prepared for the Department must allow the reader to understand the market data presented, the analysis of the data, and the conclusions derived from such

data. All data presented should reflect the most current information available and the report must provide a parenthetical (in-text) citation or footnote describing the data source. The analysis must clearly lead the reader to the same or similar conclusions reached by the Market Analyst. All steps leading to a calculated figure must be presented in the body of the report.

(c) **Market Analyst Qualifications.** A Market Analysis submitted to the Department must be prepared and certified by an approved Qualified Market Analyst. (§2306.67055) The Department will maintain an approved Market Analyst list based on the guidelines set forth in paragraphs (1) - (3) of this subsection.

- (1) If not listed as approved by the Department, Market Analysts must submit subparagraphs (A) - (F) of this paragraph at least thirty (30) days prior to the first day of the Application Acceptance Period for which the Market Analyst must be approved. To maintain status as an approved Qualified Market Analyst, updates to the items described in subparagraphs (A) - (C) of this paragraph must be submitted annually on the first Monday in February for review by the Department.
  - (A) Documentation of good standing from the Texas Comptroller of Public Accounts.
  - (B) A current organization chart or list reflecting all members of the firm who may author or sign the Market Analysis.
  - (C) Resumes for all members of the firm or subcontractors who may author or sign the Market Analysis.
  - (D) General information regarding the firm's experience including references, the number of previous similar assignments and timeframes in which previous assignments were completed.
  - (E) Certification from an authorized representative of the firm that the services to be provided will conform to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the Application Round in which each Market Analysis is submitted.
  - (F) A sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the sample Market Analysis is submitted.
- (2) During the underwriting process each Market Analysis will be reviewed and any discrepancies with the rules and guidelines set forth in this section may be identified and require timely correction. Subsequent to the completion of the Application Round and as time permits, staff or a review appraiser will re-review a sample set of submitted market analyses to ensure that the Department's Market Analysis Rules and Guidelines are met. If it is found that a Market Analyst has not conformed to the Department's Market Analysis Rules and Guidelines, as certified to, the Market Analyst will be notified of the discrepancies in the Market Analysis and will be removed from the approved Qualified Market Analyst list.
  - (A) In and of itself, removal from the list of approved Market Analysts will not invalidate a Market Analysis commissioned prior to the removal date and at least ninety (90) days prior to the first day of the applicable Application Acceptance Period.
  - (B) To be reinstated as an approved Qualified Market Analyst, the Market Analyst must amend the previous report to remove all discrepancies or submit a new sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the updated or new sample Market Analysis is submitted.

- (3) The list of approved Qualified Market Analysts is posted on the Department's web site and updated within seventy-two (72) hours of a change in the status of a Market Analyst.

(d) **Market Analysis Contents.** A Market Analysis for a rental Development prepared for the Department must be organized in a format that follows a logical progression and must include, at minimum, items addressed in paragraphs (1) - (13) of this subsection.

- (1) **Title Page.** Include Property address or location, effective date of analysis, date report completed, name and address of person authorizing report, and name and address of Market Analyst.
- (2) **Letter of Transmittal.** The date of the letter must be the date the report was completed. Include Property address or location, description of Property, statement as to purpose and scope of analysis, reference to accompanying Market Analysis report with effective date of analysis and summary of conclusions, date of Property inspection, name of persons inspecting subject Property, and signatures of all Market Analysts authorized to work on the assignment. Include a statement that the report preparer has read and understood the requirements of this section.
- (3) **Table of Contents.** Number the exhibits included with the report for easy reference.
- (4) **Summary Sheet.** Include the Department's Market Analysis Summary exhibit.
- (5) **Assumptions and Limiting Conditions.** Include a description of all assumptions, both general and specific, made by the Market Analyst concerning the Property.
- (6) **Identification of the Property.** Provide a statement to acquaint the reader with the Development. Such information includes street address, tax assessor's parcel number(s), and Development characteristics.
- (7) **Statement of Ownership.** Disclose the current owners of record and provide a three (3) year history of ownership for the subject Property.
- (8) **Secondary Market Area.** A Secondary Market Area is not required, but may be defined at the discretion of the Market Analyst to support identified demand. All of the Market Analyst's conclusions specific to the subject Development must be based on only one Secondary Market Area definition. The entire PMA, as described in this paragraph, must be contained within the Secondary Market boundaries. The Market Analyst must adhere to the methodology described in this paragraph when determining the Secondary Market Area. (§2306.67055)
  - (A) The Secondary Market Area will be defined by the Market Analyst with:
    - (i) size based on a base year population of no more than 250,000 people inclusive of the Primary Market Area; and
    - (ii) boundaries based on U.S. census tracts, ZIP codes, or place, as defined by the U.S. Census Bureau.
  - (B) The Market Analyst's definition of the Secondary Market Area must include:
    - (i) a detailed description of why the subject Development is expected to draw a significant number of tenants or homebuyers from the defined SMA;
    - (ii) a complete demographic report for the defined SMA; and
    - (iii) a scaled distance map indicating the SMA boundaries showing relevant U.S. census tracts with complete 11-digit identification numbers, ZIP codes or places with labels as well as the location of the subject Development and all comparable Developments.
- (9) **Primary Market Area.** All of the Market Analyst's conclusions specific to the subject Development must be based on only one Primary Market Area definition. The Market Analyst must adhere to the methodology described in this paragraph when determining the market area. (§2306.67055)

- (A) The Primary Market Area will be defined by the Market Analyst with:
  - (i) size based on a base year population of no more than 100,000 people;
  - (ii) boundaries based on U.S. census tracts, ZIP codes, or place, as defined by the U.S. Census Bureau; and
  - (iii) the population of the PMA may exceed 100,000 if the amount over the limit is contained within a single census tract or ZIP code, and if the PMA is defined by census tract or ZIP code.
- (B) The Market Analyst's definition of the Primary Market Area must include:
  - (i) a detailed description of why the subject Development is expected to draw a majority of its prospective tenants or homebuyers from the defined PMA;
  - (ii) a complete demographic report for the defined PMA; and
  - (iii) a scaled distance map indicating the PMA boundaries showing relevant U.S. census tracts with complete 11-digit identification numbers, ZIP codes or places with labels as well as the location of the subject Development and all comparable Developments.
- (C) **Comparable Units.** Identify Developments in the PMA with Comparable Units. In Primary Market Areas lacking sufficient rent comparables, it may be necessary for the Market Analyst to collect data from markets with similar characteristics and make quantifiable location adjustments. Provide a data sheet for each Development consisting of:
  - (i) development name;
  - (ii) address;
  - (iii) year of construction and year of Rehabilitation, if applicable;
  - (iv) property condition;
  - (v) Target Population;
  - (vi) unit mix specifying number of Bedrooms, number of baths, Net Rentable Area; and
    - (I) monthly rent and Utility Allowance; or
    - (II) sales price with terms, marketing period and date of sale;
  - (vii) description of concessions;
  - (viii) list of unit amenities;
  - (ix) utility structure;
  - (x) list of common amenities; and
  - (xi) for rental developments only, the occupancy and turnover.

(10) **Market Information.**

- (A) For each of the defined market areas, identify the number of units for each of the categories in clauses (i) - (vi) of this subparagraph; the data must be clearly labeled as relating to either the PMA or the SMA, if applicable:
  - (i) total housing;
  - (ii) rental developments (all multi-family);
  - (iii) Affordable housing;
  - (iv) Comparable Units;
  - (v) Unstabilized Comparable Units; and
  - (vi) proposed Comparable Units.
- (B) **Occupancy.** The occupancy rate indicated in the Market Analysis may be used to support both the overall demand conclusion for the proposed Development and the vacancy rate assumption used in underwriting the Development described in §10.302(d)(1)(C) of this chapter (relating to Underwriting Rules and Guidelines). State the overall physical

occupancy rate for the proposed housing tenure (renter or owner) within the defined market areas by:

- (i) number of Bedrooms;
  - (ii) quality of construction (class);
  - (iii) Target Population; and
  - (iv) Comparable Units.
- (C) **Absorption.** State the absorption trends by quality of construction (class) and absorption rates for Comparable Units.
- (D) **Demographic Reports.**
- (i) All demographic reports must include population and household data for a five (5) year period with the year of Application submission as the base year;
  - (ii) All demographic reports must provide sufficient data to enable calculation of income-eligible, age-, size-, and tenure-appropriate household populations;
  - (iii) For Developments targeting seniors, all demographic reports must provide a detailed breakdown of households by age and by income; and
  - (iv) A complete copy of all demographic reports relied upon for the demand analysis, including the reference index that indicates the census tracts or ZIP codes on which the report is based.
- (E) **Demand.** Provide a comprehensive evaluation of the need for the proposed housing for the Development as a whole and each Unit type by number of Bedrooms proposed and rent restriction category within the defined market areas using the most current census and demographic data available.
- (i) **Demographics.** The Market Analyst should use demographic data specific to the characteristics of the households that will be living in the proposed Development. For example, the Market Analyst should use demographic data specific to elderly population for a Qualified Elderly Development, if available, and should avoid making adjustments from more general demographic data. If adjustment rates are used based on more general data for any of the criteria described in subclauses (I) - (V) of this clause, they should be clearly identified and documented as to their source in the report.
    - (I) **Population.** Provide population and household figures, supported by actual demographics, for a five (5) year period with the year of Application submission as the base year.
    - (II) **Target.** If applicable, adjust the household projections for the Qualified Elderly or Persons with Special Needs targeted by the proposed Development.
    - (III) **Household Size-Appropriate.** Adjust the household projections or target household projections, as applicable, for the appropriate household size for the proposed Unit type by number of Bedrooms proposed and rent restriction category based on 1.5 persons per Bedroom (round up).
    - (IV) **Income Eligible.** Adjust the household size appropriate projections for income eligibility based on the income bands for the proposed Unit Type by number of Bedrooms proposed and rent restriction category with:
      - (-a-) the lower end of each income band calculated based on the lowest gross rent proposed divided by 35 percent for the general population and 50 percent for Qualified Elderly households; and

- (-b-) the upper end of each income band equal to the applicable gross median income limit for the largest appropriate household size based on 1.5 persons per Bedroom (round up) or one person for Efficiency Units.
- (V) Tenure-Appropriate. Adjust the income-eligible household projections for tenure (renter or owner). If tenure appropriate income eligible target household data is available, a tenure appropriate adjustment is not necessary.
- (ii) **Gross Demand.** Gross Demand is defined as the sum of Potential Demand from the PMA, Demand from Other Sources, and Potential Demand from a Secondary Market Area (SMA) to the extent that SMA demand does not exceed 25 percent of Gross Demand.
- (iii) **Potential Demand.** Potential Demand is defined as the number of income-eligible, age-, size-, and tenure-appropriate target households in the designated market area at the proposed placed in service date.
  - (I) Maximum eligible income is equal to the applicable gross median income limit for the largest appropriate household size based on 1.5 persons per Bedroom (round up) or one person for Efficiency Units.
  - (II) For Developments targeting the general population:
    - (-a-) minimum eligible income is based on a 35 percent rent to income ratio;
    - (-b-) appropriate household size is defined as 1.5 persons per Bedroom (rounded up); and
    - (-c-) the tenure-appropriate population for a rental Development is limited to the population of renter households.
  - (III) For Developments consisting solely of single family residences on separate lots with all Units having three (3) or more Bedrooms:
    - (-a-) minimum eligible income is based on a 35 percent rent to income ratio;
    - (-b-) appropriate household size is defined as 1.5 persons per Bedroom (rounded up); and
    - (-c-) Gross Demand includes both renter and owner households.
  - (IV) For Qualified Elderly Developments:
    - (-a-) minimum eligible income is based on a 50 percent rent to income ratio; and
    - (-b-) Gross Demand includes all household sizes and both renter and owner households.
- (iv) **Demand from Secondary Market Area:**
  - (I) Potential Demand from an SMA should be calculated in the same way as Potential Demand from the PMA;
  - (II) Potential Demand from an SMA may be included in Gross Demand to the extent that SMA demand does not exceed 25 percent of Gross Demand; and
  - (III) the supply of proposed and unstabilized Comparable Units in the SMA must be included in the calculation of the capture rate at the same proportion that Potential Demand from the SMA is included in Gross Demand.
- (v) **Demand from Other Sources:**
  - (I) the source of additional demand and the methodology used to calculate the additional demand must be clearly stated;
  - (II) consideration of Demand from Other Sources is at the discretion of the Underwriter;

- (III) Demand from Other Sources must be limited to households that are not included in Potential Demand; and
- (IV) if households with Section 8 vouchers are identified as a source of demand, the Market Study must include:
  - (-a-) documentation of the number of vouchers administered by the local Housing Authority; and
  - (-b-) a complete demographic report for the area in which the vouchers are distributed.
- (F) **Employment.** Provide a comprehensive analysis of employment trends and forecasts in the Primary Market Area.
- (11) **Conclusions.** Include a comprehensive evaluation of the subject Property, separately addressing each housing type and specific population to be served by the Development in terms of items in subparagraphs (A) - (I) of this paragraph. All conclusions must be consistent with the data and analysis presented throughout the Market Analysis.
  - (A) **Unit Mix.** Provide a best possible unit mix conclusion based on the occupancy rates by Bedroom type within the PMA and target, income-eligible, size-appropriate and tenure-appropriate household demand by unit type and income type within the PMA.
  - (B) **Rents.** Provide a separate Market Rent conclusion for each proposed Unit Type by number of Bedrooms and rent restriction category. Conclusions of Market Rent below the maximum Net Program Rent limit must be well documented as the conclusions may impact the feasibility of the Development under §10.302(i) of this chapter. In support of the Market Rent conclusions, provide a separate attribute adjustment matrix for each proposed Unit Type by number of Bedrooms and rental restriction category.
    - (i) The Department recommends use of HUD Form 92273.
    - (ii) A minimum of three developments must be represented on each attribute adjustment matrix.
    - (iii) Adjustments for concessions must be included, if applicable.
    - (iv) Total adjustments in excess of 15 percent must be supported with additional narrative.
    - (v) Total adjustments in excess of 25 percent indicate the Units are not comparable for the purposes of determining Market Rent conclusions.
  - (C) **Effective Gross Income.** Provide rental income, secondary income, and vacancy and collection loss projections for the subject derived independent of the Applicant's estimates.
  - (D) **Demand:**
    - (i) state the Gross Demand for each Unit Type by number of Bedrooms proposed and rent restriction category (e.g. one-Bedroom Units restricted at 50 percent of AMGI; two-Bedroom Units restricted at 60 percent of AMGI); and
    - (ii) state the Gross Demand for the proposed Development as a whole. If some households are eligible for more than one Unit Type due to overlapping eligible ranges for income or household size, Gross Demand should be adjusted to avoid including households more than once.
  - (E) **Relevant Supply.** The Relevant Supply of proposed and unstabilized Comparable Units includes:
    - (i) the proposed subject Units;
    - (ii) Comparable Units with priority over the subject that have made application to the Department and have not been presented to the Board for decision;

- (iii) Comparable Units in previously approved but Unstabilized Developments in the PMA; and
  - (iv) Comparable Units in previously approved but Unstabilized Developments in the SMA, in the same proportion as the proportion of Potential Demand from the SMA that is included in Gross Demand.
- (F) **Gross Capture Rate.** The Gross Capture Rate is defined as the Relevant Supply divided by the Gross Demand. The Market Analyst must calculate a Gross Capture Rate for the subject Development as a whole, as well as for each Unit Type by number of Bedrooms and rent restriction categories, and market rate Units, if applicable. Refer to §10.302(i) of this chapter for feasibility criteria.
- (G) A complete demand and capture rate analysis is required in every Market Study, regardless of the current occupancy level of an existing Development.
- (H) **Absorption.** Project an absorption period for the subject Development to achieve Breakeven Occupancy. State the absorption rate.
- (I) **Market Impact.** Provide an assessment of the impact the subject Development, as completed, will have on existing Developments supported by Housing Tax Credits in the Primary Market. (§2306.67055)
- (12) **Photographs.** Provide labeled color photographs of the subject Property, the neighborhood, street scenes, and comparables. An aerial photograph is desirable but not mandatory.
- (13) **Appendices.** Any Third Party reports including demographics relied upon by the Market Analyst must be provided in appendix form. A list of works cited including personal communications also must be provided, and the Modern Language Association (MLA) format is suggested.
- (e) The Department reserves the right to require the Market Analyst to address such other issues as may be relevant to the Department's evaluation of the need for the subject Development and the provisions of the particular program guidelines.
- (f) In the event that the PMA for a subject Development overlaps the PMA's of other proposed or unstabilized comparable Developments, the Underwriter may perform an extended Sub-Market analysis considering the combined PMA's and all proposed and unstabilized Units in the extended Sub-Market Area; the Gross Capture Rate from such an extended Sub-Market Area analysis may be used as the basis for a feasibility conclusion.
- (g) All Applicants shall acknowledge, by virtue of filing an Application, that the Department shall not be bound by any such opinion or Market Analysis, and may substitute its own analysis and underwriting conclusions for those submitted by the Market Analyst.

#### **§10.304. Appraisal Rules and Guidelines.**

- (a) **General Provision.** An appraisal prepared for the Department must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraisal must include a statement that the report preparer has read and understood the requirements of this section.
- (b) **Self-Contained.** An appraisal prepared for the Department must describe sufficient and adequate data and analyses to support the final opinion of value. The final value(s) must be reasonable, based on



the information included. Any Third Party reports relied upon by the appraiser must be verified by the appraiser as to the validity of the data and the conclusions.

(c) **Appraiser Qualifications.** The qualifications of each appraiser are determined on a case-by-case basis by the Director of Real Estate Analysis or review appraiser, based upon the quality of the report itself and the experience and educational background of the appraiser. At minimum, a qualified appraiser must be appropriately certified or licensed by the Texas Appraiser Licensing and Certification Board.

(d) **Appraisal Contents.** An appraisal prepared for the Department must be organized in a format that follows a logical progression. In addition to the contents described in USPAP Standards Rule 2, the appraisal must include items addressed in paragraphs (1) - (12) of this subsection.

- (1) **Title Page.** Include a statement identifying the Department as the client, acknowledging that the Department is granted full authority to rely on the findings of the report, and name and address of person authorizing report.
- (2) **Letter of Transmittal.** Include reference to accompanying appraisal report, reference to all person(s) that provided significant assistance in the preparation of the report, date of report, effective date of appraisal, date of property inspection, name of person(s) inspecting the property, tax assessor's parcel number(s) of the site, estimate of marketing period, and signatures of all appraisers authorized to work on the assignment including the appraiser who inspected the property. Include a statement indicating the report preparer has read and understood the requirements of this section.
- (3) **Table of Contents.** Number the exhibits included with the report for easy reference.
- (4) **Disclosure of Competency.** Include appraiser's qualifications, detailing education and experience.
- (5) **Statement of Ownership of the Subject Property.** Discuss all prior sales of the subject Property which occurred within the past three (3) years. Any pending agreements of sale, options to buy, or listing of the subject Property must be disclosed in the appraisal report.
- (6) **Property Rights Appraised.** Include a statement as to the property rights (e.g., fee simple interest, leased fee interest, leasehold, etc.) being considered. The appropriate interest must be defined in terms of current appraisal terminology with the source cited.
- (7) **Site/Improvement Description.** Discuss the site characteristics including subparagraphs (A) - (E) of this paragraph.
  - (A) **Physical Site Characteristics.** Describe dimensions, size (square footage, acreage, etc.), shape, topography, corner influence, frontage, access, ingress-egress, etc. associated with the Development Site. Include a plat map and/or survey.
  - (B) **Floodplain.** Discuss floodplain (including flood map panel number) and include a floodplain map with the subject Property clearly identified.
  - (C) **Zoning.** Report the current zoning and description of the zoning restrictions and/or deed restrictions, where applicable, and type of Development permitted. Any probability of change in zoning should be discussed. A statement as to whether or not the improvements conform to the current zoning should be included. A statement addressing whether or not the improvements could be rebuilt if damaged or destroyed, should be included. If current zoning is not consistent with the highest and best use, and zoning changes are reasonable to

expect, time and expense associated with the proposed zoning change should be considered and documented. A zoning map should be included.

- (D) **Description of Improvements.** Provide a thorough description and analysis of the improvements including size (Net Rentable Area, gross building area, etc.), number of stories, number of buildings, type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, energy efficiency measures, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.
  - (E) **Environmental Hazards.** It is recognized appraisers are not experts in such matters and the impact of such deficiencies may not be quantified; however, the report should disclose any potential environmental hazards (such as discolored vegetation, oil residue, asbestos-containing materials, lead-based paint etc.) noted during the inspection.
- (8) **Highest and Best Use.** Market Analysis and feasibility study is required as part of the highest and best use. The highest and best use analysis should consider paragraph (7)(A) - (E) of this subsection as well as a supply and demand analysis.
- (A) The appraisal must inform the reader of any positive or negative market trends which could influence the value of the appraised Property. Detailed data must be included to support the appraiser's estimate of stabilized income, absorption, and occupancy.
  - (B) The highest and best use section must contain a separate analysis "as if vacant" and "as improved" (or "as proposed to be improved/renovated"). All four elements (legally permissible, physically possible, feasible, and maximally productive) must be considered.
- (9) **Appraisal Process.** It is mandatory that all three approaches, Cost Approach, Sales Comparison Approach and Income Approach, are considered in valuing the Property. If an approach is not applicable to a particular property an adequate explanation must be provided. A land value estimate must be provided if the Cost Approach is not applicable.
- (A) **Cost Approach.** This approach should give a clear and concise estimate of the cost to construct the subject improvements. The source(s) of the cost data should be reported.
    - (i) Cost comparables are desirable; however, alternative cost information may be obtained from Marshall & Swift Valuation Service or similar publications. The section, class, page, etc. should be referenced. All soft costs and entrepreneurial profit must be addressed and documented.
    - (ii) All applicable forms of depreciation must be discussed and analyzed. Such discussion must be consistent with the description of the improvements.
    - (iii) The land value estimate should include a sufficient number of sales which are current, comparable, and similar to the subject in terms of highest and best use. Comparable sales information should include address, legal description, tax assessor's parcel number(s), sales price, date of sale, grantor, grantee, three (3) year sales history, and adequate description of property transferred. The final value estimate should fall within the adjusted and unadjusted value ranges. Consideration and appropriate cash equivalent adjustments to the comparable sales price for subclauses (I) - (VII) of this clause should be made when applicable.
      - (I) Property rights conveyed.
      - (II) Financing terms.
      - (III) Conditions of sale.
      - (IV) Location.
      - (V) Highest and best use.

(VI) Physical characteristics (e.g., topography, size, shape, etc.).

(VII) Other characteristics (e.g., existing/proposed entitlements, special assessments, etc.).

(B) **Sales Comparison Approach.** This section should contain an adequate number of sales to provide the reader with a description of the current market conditions concerning this property type. Sales data should be recent and specific for the property type being appraised. The sales must be confirmed with buyer, seller, or an individual knowledgeable of the transaction.

(i) Sales information should include address, legal description, tax assessor's parcel number(s), sales price, financing considerations and adjustment for cash equivalency, date of sale, recordation of the instrument, parties to the transaction, three (3) year sale history, complete description of the Property and property rights conveyed, and discussion of marketing time. A scaled distance map clearly identifying the subject and the comparable sales must be included.

(ii) The method(s) used in the Sales Comparison Approach must be reflective of actual market activity and market participants.

(I) **Sale Price/Unit of Comparison.** The analysis of the sale comparables must identify, relate, and evaluate the individual adjustments applicable for property rights, terms of sale, conditions of sale, market conditions, and physical features. Sufficient narrative must be included to permit the reader to understand the direction and magnitude of the individual adjustments, as well as a unit of comparison value indicator for each comparable.

(II) **Net Operating Income/Unit of Comparison.** The Net Operating Income statistics or the comparables must be calculated in the same manner. It should be disclosed if reserves for replacement have been included in this method of analysis. At least one other method should accompany this method of analysis.

(C) **Income Approach.** This section must contain an analysis of both the actual historical and projected income and expense aspects of the subject Property.

(i) **Market Rent Estimate/Comparable Rental Analysis.** This section of the report should include an adequate number of actual market transactions to inform the reader of current market conditions concerning rental Units. The comparables must indicate current research for this specific property type. The comparables must be confirmed with the landlord, tenant or agent and individual data sheets must be included. The individual data sheets should include property address, lease terms, description of the property (e.g., Unit Type, unit size, unit mix, interior amenities, exterior amenities, etc.), physical characteristics of the property, and location of the comparables. Analysis of the Market Rents should be sufficiently detailed to permit the reader to understand the appraiser's logic and rationale. Adjustment for lease rights, condition of the lease, location, physical characteristics of the property, etc. must be considered.

(ii) **Comparison of Market Rent to Contract Rent.** Actual income for the subject along with the owner's current budget projections must be reported, summarized, and analyzed. If such data is unavailable, a statement to this effect is required and appropriate assumptions and limiting conditions should be made. The Contract Rents should be compared to the market-derived rents. A determination should be made as to whether the Contract Rents are below, equal to, or in excess of market rates. If there is a difference, its impact on value must be qualified.

- (iii) **Vacancy/Collection Loss.** Historical occupancy data and current occupancy level for the subject should be reported and compared to occupancy data from the rental comparables and overall occupancy data for the subject's Primary Market.
  - (iv) **Expense Analysis.** Actual expenses for the subject, along with the owner's projected budget, must be reported, summarized, and analyzed. If such data is unavailable, a statement to this effect is required and appropriate assumptions and limiting conditions should be made. Historical expenses should be compared to comparables expenses of similar property types or published survey data (such as IREM, BOMA, etc.). Any expense differences should be reconciled. Include historical data regarding the subject's assessment and tax rates and a statement as to whether or not any delinquent taxes exist.
  - (v) **Capitalization.** The appraiser should present the capitalization method(s) reflective of the subject market and explain the omission of any method not considered in the report.
    - (I) **Direct Capitalization.** The primary method of deriving an overall rate is through market extraction. If a band of investment or mortgage equity technique is utilized, the assumptions must be fully disclosed and discussed.
    - (II) **Yield Capitalization (Discounted Cash Flow Analysis).** This method of analysis should include a detailed and supportive discussion of the projected holding/investment period, income and income growth projections, occupancy projections, expense and expense growth projections, reversionary value and support for the discount rate.
- (10) **Value Estimates.** Reconciliation of final value estimates is required. The Underwriter may request additional valuation information based on unique existing circumstances that are relevant for deriving the market value of the Property.
- (A) All appraisals shall contain a separate estimate of the "as vacant" market value of the underlying land, based upon current sales comparables. The appraiser should consider the fee simple or leased fee interest as appropriate.
  - (B) For existing Developments with any project-based rental assistance that will remain with the property after the acquisition, the appraisal must include an "as-is as-currently-restricted value" inclusive of the value associated with the rental assistance. If the rental assistance has an impact on the value, such as use of a lower capitalization rate due to the lower risk associated with rental rates and/or occupancy rates on project-based developments, this must be fully explained and supported to the satisfaction of the Underwriter.
  - (C) For existing Developments with rent restrictions, the appraisal must include the "as-is as-restricted" value. In particular, the restricted rents should be contemplated when deriving the value based on the income approach.
  - (D) For all other existing Developments, the appraisal must include the "as-is" value.
  - (E) For any Development with favorable financing (generally below market debt) that will remain in place and transfer to the new owner, the appraisal must include a separate value for the existing favorable financing with supporting information.
  - (F) If required the appraiser must include a separate assessment of personal property, furniture, fixtures, and equipment ("FF&E") and/or intangible items. If personal property, FF&E, or intangible items are not part of the transaction or value estimate, a statement to such effect should be included.

- (11) **Marketing Time.** Given property characteristics and current market conditions, the appraiser(s) should employ a reasonable marketing period. The report should detail existing market conditions and assumptions considered relevant.
- (12) **Photographs.** Provide good quality color photographs of the subject Property (front, rear, and side elevations, on-site amenities, interior of typical Units if available). Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables should be included. An aerial photograph is desirable but not mandatory.

(e) **Additional Appraisal Concerns.** The appraiser(s) must be aware of Department program rules and guidelines and the appraisal must include analysis of any impact to the subject's value.

### **§10.305. Environmental Site Assessment Rules and Guidelines.**

(a) **General Provisions.** The Environmental Site Assessments (ESA) prepared for the Department should be conducted and reported in conformity with the standards of the American Society for Testing and Materials ("ASTM"). The initial report should conform with the Standard Practice for Environmental Site Assessments: Phase I Assessment Process (ASTM Standard Designation: E1527-05 or any subsequent standards as published). Any subsequent reports should also conform to ASTM standards and such other recognized industry standards as a reasonable person would deem relevant in view of the Property's anticipated use for human habitation. The ESA shall be conducted by a Third Party environmental professional at the expense of the Applicant, and addressed to TDHCA as a User of the report (as defined by ASTM standards). Copies of reports provided to the Department which were commissioned by other financial institutions should address TDHCA as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to the Department. The ESA report should also include a statement that the person or company preparing the ESA report will not materially benefit from the Development in any other way than receiving a fee for performing the ESA, and that the fee is in no way contingent upon the outcome of the assessment. The ESA report must contain a statement indicating the report preparer has read and understood the requirements of this section.

(b) In addition to ASTM requirements, the report must:

- (1) state if a noise study is recommended for a property in accordance with current HUD guidelines and identify its proximity to industrial zones, major highways, active rail lines, civil and military airfields, or other potential sources of excessive noise;
- (2) provide a copy of a current survey, if available, or other drawing of the site reflecting the boundaries and adjacent streets, all improvements on the site, and any items of concern described in the body of the ESA or identified during the physical inspection;
- (3) provide a copy of the current FEMA Flood Insurance Rate Map showing the panel number and encompassing the site with the site boundaries precisely identified and superimposed on the map;
- (4) if the subject Development Site includes any improvements or debris from pre-existing improvements, state if testing for asbestos containing materials would be required pursuant to local, state, and federal laws, or recommended due to any other consideration;
- (5) if the subject Development Site includes any improvements or debris from pre-existing improvements, state if testing for Lead Based Paint would be required pursuant to local, state, and federal laws, or recommended due to any other consideration;

- (6) state if testing for lead in the drinking water would be required pursuant to local, state, and federal laws, or recommended due to any other consideration such as the age of pipes and solder in existing improvements;
- (7) assess the potential for the presence of Radon on the Property, and recommend specific testing if necessary; and
- (8) identify and assess the presence of oil, gas or chemical pipelines, processing facilities, storage facilities or other potentially hazardous explosive activities on-site or in the general area of the site that could potentially adversely impact the Development. Location of these items must be shown on a drawing or map in relation to the Development Site and all existing or future improvements. The drawing must depict any blast zones (in accordance with HUD guidelines) and include HUD blast zone calculations.

(c) If the report recommends further studies or establishes that environmental hazards currently exist on the Property, or are originating off-site but would nonetheless affect the Property, the Development Owner must act on such a recommendation or provide a plan for either the abatement or elimination of the hazard. Evidence of action or a plan for the abatement or elimination of the hazard must be presented upon Application submittal.

(d) For Developments in programs that allow a waiver of the Phase I ESA such as a USDA funded Development, the Development Owners are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.

(e) Those Developments which have or are to receive first lien financing from HUD may submit HUD's environmental assessment report, provided that it conforms to the requirements of this subsection.

#### **§10.306. Property Condition Assessment Guidelines.**

(a) **General Provisions.** The objective of the Property Condition Assessment (PCA) for Rehabilitation Developments is to provide cost estimates for repairs and replacements, and new construction of additional buildings or amenities, which are: immediately necessary repairs and replacements; improvements proposed by the Applicant as outlined in a scope of work narrative submitted by the Applicant to the PCA provider that is consistent with the scope of work provided in the Application; and expected to be required throughout the term of the Affordability Period and not less than thirty (30) years. The PCA prepared for the Department should be conducted and reported in conformity with the American Society for Testing and Materials "Standard Guide for Property Condition Assessments. Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018") except as provided for in subsections (b) and (c) of this section. The PCA report must contain a statement indicating the report preparer has read and understood the requirements of this section. The PCA must include the Department's PCA Cost Schedule Supplement which details all Rehabilitation costs and projected repairs and replacements through at least twenty (20) years. The PCA must also include discussion and analysis of:

- (1) **Useful Life Estimates.** For each system and component of the property the PCA should assess the condition of the system or component, and estimate its remaining useful life, citing the basis or the source from which such estimate is derived;

- (2) **Code Compliance.** The PCA should review and document any known violations of any applicable federal, state, or local codes. In developing the cost estimates specified herein, it is the responsibility of the Applicant to ensure that the PCA adequately considers any and all applicable federal, state, and local laws and regulations which may govern any work performed to the subject Property;
- (3) **Program Rules.** The PCA should assess the extent to which any systems or components must be modified, repaired, or replaced in order to comply with any specific requirements of the housing program under which the Development is proposed to be financed, particular consideration being given to accessibility requirements, the Department's Housing Quality Standards, and any scoring criteria for which the Applicant may claim points;
- (4) **Reconciliation of Scope of Work and Costs.** The PCA report must include an analysis, detailed and shown on the Department's PCA Cost Schedule Supplement, that reconciles the scope of work and immediate costs identified in the PCA with the Applicant's scope of work and costs (Hard Costs) as presented on the Applicant's development cost schedule; and
- (5) **Cost Estimates for Repair and Replacement.** It is the responsibility of the Applicant to ensure that the PCA provider is apprised of all development activities associated with the proposed transaction and consistency of the total immediately necessary and proposed repair and replacement cost estimates with the Total Housing Development Cost schedule and scope of work submitted as an exhibit of the Application.
  - (A) **Immediately Necessary Repairs and Replacement.** Systems or components which are expected to have a remaining useful life of less than one (1) year, which are found to be in violation of any applicable codes, which must be modified, repaired or replaced in order to satisfy program rules, or which are otherwise in a state of deferred maintenance or pose health and safety hazards should be considered immediately necessary repair and replacement. The PCA must provide a separate estimate of the costs associated with the repair, replacement, or maintenance of each system or component which is identified as being an immediate need, citing the basis or the source from which such cost estimate is derived.
  - (B) **Proposed Repair, Replacement, or New Construction.** If the development plan calls for additional repair, replacement, or New Construction above and beyond the immediate repair and replacement described in subparagraph (A) of this paragraph, such items must be identified and the nature or source of obsolescence or improvement to the operations of the Property discussed. The PCA must provide a separate estimate of the costs associated with the repair, replacement, or new construction which is identified as being above and beyond the immediate need, citing the basis or the source from which such cost estimate is derived.
  - (C) **Expected Repair and Replacement Over Time.** The term during which the PCA should estimate the cost of expected repair and replacement over time must equal the longest term of any land use or regulatory restrictions which are, or will be, associated with the provision of housing on the Property. The PCA must estimate the periodic costs which are expected to arise for repairing or replacing each system or component or the property, based on the estimated remaining useful life of such system or component as described in paragraph (1) of this subsection adjusted for completion of repair and replacement immediately necessary and proposed as described in subparagraphs (A) and (B) of this paragraph. The PCA must include a separate table of the estimated long term costs which identifies in each line the individual component of the property being examined, and in each column the year during the term in which the costs are estimated to be incurred and no less than fifteen (15) years.

The estimated costs for future years should be given in both present dollar values and anticipated future dollar values assuming a reasonable inflation factor of not less than 2.5 percent per annum.

(b) Any costs not identified and discussed in the PCA as part of subsections (a)(4), (5)(A) and (5)(B) of this section will not be included in the underwritten Total Development Cost in the Report.

(c) If a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied, the Department will also accept copies of reports commissioned or required by the primary lender for a proposed transaction, which have been prepared in accordance with:

- (1) Fannie Mae's criteria for Physical Needs Assessments;
- (2) Federal Housing Administration's criteria for Project Capital Needs Assessments;
- (3) Freddie Mac's guidelines for Engineering and Property Condition Reports;
- (4) USDA guidelines for Capital Needs Assessment.

(d) The Department may consider for acceptance reports prepared according to other standards which are not specifically named in subsection (b) of this section, if a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied.

(e) The PCA shall be conducted by a Third Party at the expense of the Applicant, and addressed to TDHCA as the client. Copies of reports provided to the Department which were commissioned by other financial institutions should address TDHCA as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to TDHCA. The PCA report should also include a statement that the person or company preparing the PCA report will not materially benefit from the Development in any other way than receiving a fee for performing the PCA. The PCA report must contain a statement indicating the report preparer has read and understood the requirements of this section.

### **§10.307. Direct Loan Requirements.**

(a) Direct Loans through the Departments must be structured according to the criteria as identified in paragraphs (1) - (5) of this subsection:

- (1) the interest rate may be as low as zero percent provided all applicable program requirements are met as well as requirements in this subchapter; (2) unless structured only as an interim construction or bridge loan, the loan term shall be no less than fifteen (15) years and no greater than forty (40) years and the amortization schedule shall be no less than thirty (30) years and no greater than forty (40) years and both must be within six (6) months of the shortest amortization and term of any senior debt;
- (3) the loan shall be structured with a regular monthly payment beginning at the end of the construction period and continuing for the loan term. If the first lien mortgage is a federally insured HUD or FHA mortgage, the Department may approve a loan structure with annual payments payable from surplus cash flow provided that the debt coverage ratio, inclusive of the



loan, continues to meet the requirements in this subchapter. The Board may also approve, on a case-by-case basis, a cash flow loan structure provided it determines that the financial risk is outweighed by the need for the proposed housing;

- (4) the loan shall have a deed of trust with a permanent lien position consistent with the principal amount of the loan in relation to the principal amounts of the other sources of financing. Notwithstanding the foregoing, the loan shall have a lien position that is superior to any other sources for financing that have soft repayment structures, non-amortizing balloon notes, are deferred forgivable loans or in which the lender has an identity of interest with any member of the Development Team. The Board may also approve, on a case-by-case basis, an alternative lien priority provided it determines that the financial risk is outweighed by the need for the proposed housing; and,
  - (5) If the Direct Loan amounts to more than 50 percent of the Total Housing Development Cost, except for Developments also financed through the USDA §515 program, the Application must include the documents as identified in subparagraphs (A) - (C) of this paragraph:
    - (A) a letter from a Third Party CPA verifying the capacity of the Applicant, Developer or Development Owner to provide at least 10 percent of the Total Housing Development Cost as a short term loan for the Development; and
    - (B) a letter from the Applicant, Developer or Development Owner's bank(s) confirming funds equal to 10 percent of the Total Housing Development Cost are available; or
    - (C) evidence of a line of credit or equivalent tool equal to at least 10 percent of the Total Housing Development Cost from a financial institution that is available for use during the proposed Development activities.
- (b) HOME Direct Loans through the Department must observe the following construction, occupancy, and repayment provisions in accordance with 24 CFR 92 and as included in the HOME Direct Loan documents:
- (1) Construction must be completed within eighteen (18) months of the actual date of loan closing, at which point the permanent loan period will begin. Extensions to the construction or development period may only be made for good cause and approved by the Executive Director or authorized designee provided the start of construction is no later than twelve (12) months from the date of Federal Commitment;
  - (2) Initial occupancy by eligible tenants shall occur within six (6) months of project completion. Requests to extend the initial occupancy period must be accompanied by marketing information and a marketing plan which will be submitted by the Department to HUD for final approval;
  - (3) repayment will be required on a per unit basis for units that have not been rented to eligible households within eighteen (18) months of project completion; and
  - (4) termination and repayment of the HOME award in full will be required for any development that is not completed within four (4) years of the date of funding commitment.

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**BOARD ACTION REQUEST**  
**FINANCIAL ADMINISTRATION DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on the Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

**RECOMMENDED ACTION**

**WHEREAS**, Texas Government Code, §2306.204 requires an audit of the Department's Housing Trust Fund to be completed by December 31st of each year to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund;

**WHEREAS**, Housing Finance Division unencumbered funds are the funds associated with any and all of the Department's housing finance activity which are not subject to any restriction precluding their immediate transfer to the housing trust fund. Such restrictions include: being subject to a state or federal law or other applicable legal requirement such as the General Appropriations Act, being held in trust subject to the terms of a bond indenture, or having been designated by the Department's Governing Board for a specific use or contingency;

**WHEREAS**, Texas Government Code, §2306.205 provides a formula for determining the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund before January 10th; and

**WHEREAS**, Staff has drafted a process for determining the three year-end values total and non highest rated bond indebtedness, the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund;

**NOW, therefore, it is hereby**

**RESOLVED**, that the *Draft Computation of Unencumbered Fund Balances Report as of August 31, 2013*, is presented to this meeting and the Board and the Executive Director accepts this report in satisfaction of the requirements of Texas Government Codes, §2306.204 and §2306.205 with its final approval determined by the year-end audit performed by the State Auditor's Office.

**BACKGROUND**

Pursuant to Texas Government Codes, §2306.204 and §2306.205, the Department is required to transfer to the Housing Trust Fund annually a portion of the unencumbered funds, if any, meeting certain threshold and criteria. This statute also requires the Department to undergo an annual audit of its unencumbered fund balances and to transfer excess funds to the Housing Trust Fund based on a calculation set forth in the statute. Using the methodology outlined in the statute, Department staff

formally documented a policy in the form of a Standard Operating Procedure (#1210.05) to calculate statutorily-required transfers to the Housing Trust Fund. (A copy of that SOP is attached.)

The *Draft Computation of Unencumbered Fund Balances Report as of August 31* (Exhibit A) reflects funds held by the Department deemed to be unencumbered of \$278,032; the *Calculation of Bonded Indebtness Report* (Exhibit B) that only includes bonds outstanding not rated in the highest long-term debt rating category to calculate the 2% threshold of \$27,858,555; and the *List of Bond Ratings* (Exhibit C) from rating agencies. Since the unencumbered balance is less than the 2% threshold it does not meet the first threshold in Texas Government Code, §2306.205(a) for any transfer to the Housing Trust Fund.

In conclusion, the *Draft Computation of Unencumbered Fund Balances Report as of August 31, 2013* yielded a zero transfer to the Housing Trust Fund. Again, this report is included for review in the year-end financial audit performed by the State Auditor's Office and therefore subject to revision based on such audit.



## Financial Administration and Bond Finance Divisions

# Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

### 1.0. Statutory Requirements

#### 1.1. Audit Requirement

Texas Government Code, §2306.204 requires an audit of the housing trust fund as of the end of each fiscal year to be completed by December 31 of that year to determine the amount of unencumbered fund balances that is greater than the amount required for the reserve fund.

#### 1.2. Transfers to the Housing Trust Fund

Texas Government Code, §2306.205(a) provides the formula for the amount of unencumbered funds to be transferred to be "...equal to one-half of the housing finance division unencumbered fund balances in excess of two percent of the division's total bonded indebtedness that is not rated on its own merits in the highest long-term debt rating category by one or more nationally recognized rating agencies."

Texas Government Code, §2306.205(c) further states that "...if the housing finance division's unencumbered fund balances exceed four percent of its total bonded indebtedness that is not rated on its own merits in the highest long-term debt rating category, the department shall transfer not later than January 10 of the next year all amounts in excess of that four percent."

Texas Government Code, §2306.205(d) states that "...if, at any time an annual audit required by Section 2306.204 is concluded, a nationally recognized rating agency has recommended that the housing finance division maintain unencumbered fund balances in excess of the amount permitted by Subsection (a) to achieve or maintain a rating of at least Aa/A+ on all or a portion of the bonded indebtedness of the housing finance division that is issued under an open indenture or an open flow of funds, the department shall transfer not later than January 10 of the next year all amounts in excess of the amount required by the rating agency to be held as unencumbered funds."

Texas Government Code, §2306.205(e) further states "...if, at the time an annual audit required by Section 2306.204 is concluded, a nationally recognized rating agency has recommended that the housing finance division increase the amount of its unencumbered fund balances to achieve or maintain a financially sound condition or to prevent a decrease in the long-term debt rating maintained on all or a portion of the housing finance division's bonded indebtedness, the housing finance division may not make further annual transfers to the housing trust fund until all requirements and conditions of the rating agency have been met."

## 2.0. Procedures

### 2.1 Process Overview.

The process for determining the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund, as set out in Texas Government Code §§2306.204 and 2306.205, is made up of three major components:

- A. Determination of Total Bond Indebtedness Rated at Less than the Highest Rating;
- B. Determination of Unencumbered Funds Balance;
- C. Determination of Amounts, if any, to be Transferred to the Housing Trust Fund.

### 2.2 Procedure for Determination of Total Bonded Indebtedness Rated at Less than the Highest Rating

- A. On or before September 30 of each year, the Bond Finance Division will prepare, in the form attached hereto in Exhibit A, the Bond Ratings Report as of August 31 of that year to determine current bond ratings for all single family and multifamily indentures. The data source for this report is Bloomberg. A total of bonded indebtedness will be included.
- B. Using this data, on or before November 30, the Calculation of Bonded Indebtedness Rated at Less Than the Highest Rating will be prepared in the form attached hereto in Exhibit B and will include only the bonds outstanding **not** rated in the highest long-term debt rating category. The calculations of two percent and four percent of the bonded indebtedness as required by Texas Government Code §2306.205 will also be included.
- C. The calculation of bonded indebtedness rated at less than the highest rating includes any and all indebtedness issued by the Department under an open indenture or open flow of funds that bears a current rating by one or more of the Rating Agencies that is less than the Rating Agency's highest rating. This means that any indebtedness that is rated either by Standard & Poor's at AA or less or by Moody's at Aa or less. This calculation is performed by the Bond Finance Division and, with advice from the Department's Financial Advisor, is set forth in a memorandum to the Financial Administration Division. That memorandum must also address whether the conditions specified in Texas Government Code §2306.205 (d) or (e) are present.

### 2.3 Procedure for Determination of Unencumbered Funds Balance

- A. On or before November 30 of each year, the Financial Administration Division will prepare the Computation of Housing Finance Division Total and Unencumbered Funds as of August 31 of that year in the form attached hereto in Exhibit A.
- B. The Department's Financial Administration Division maintains accounting for all of the Department's funding and accounts and, in coordination with the Divisions administering housing activity programs and executive management, identifies when

funds are encumbered for a specific purpose and derives funds that are unencumbered.

- C. What are Unencumbered Funds? Housing Finance Division unencumbered funds are the funds associated with any and all of the Department's housing finance activity which are not subject to any restriction precluding their immediate transfer to the housing trust fund. Such restrictions include, but are not necessarily limited to, being subject to a state or federal law or other applicable legal requirement, including but not limited to, the General Appropriations Act then in effect or constraint that would not allow such transfer, being held in trust subject to the terms of a bond indenture, including an open indenture, having been designated by the Department's Governing Board for a specific use or contingency, including but not limited to, the Department's operating budget or established reserves.

#### 2.4 Draft Report to Governing Board

On or before November 30 of each year, the Computation of Housing Finance Division Total and Unencumbered Funds and the Calculation of Bonded Indebtedness Rated at Less Than the Highest Rating will be presented to the TDHCA Governing Board as a report item in **draft** form.

#### 2.5 Audit Report

On or before December 31 of each year, an independent auditor will deliver to the Governing Board an audit report, the *Texas Department of Housing and Community Affairs – Housing Finance Division Computation of Unencumbered Balances and Independent Accountants' Report* regarding the housing trust fund. The scope of such audit to include the Computation of Housing Finance Division Total and Unencumbered Fund Balances and the Calculation of Bonded Indebtedness Rated at Less than the Highest Rating.

#### 2.6 Determination of Amounts, if any, to be Transferred to the Housing Trust Fund

Using the information obtained in the audit report described in section 2.5, the Financial Administration Division will determine the extent (if any) to which the Unencumbered Fund Balance exceeds the Total Bonded Indebtedness in accordance with Texas Government Code §2306.205(a) or (c), as appropriate.

On or before January 10 of each year, any required transfers of housing finance division unencumbered fund balances to the housing trust fund will be made by the Financial Administration Division.

2.7 Final Report to the Governing Board

No later than February 28 of each year, the Final Report concerning Computation of Housing Finance Division Total and Unencumbered Funds and the Calculation of Bonded Indebtedness Rated at Less Than the Highest Rating, and any Transfer of Funds will be presented to the TDHCA Governing Board as a report item in final form.

**3.0. Responsibilities.**

3.1 The **Financial Administration Division** is responsible for:

- A. Preparing the Computation of Housing Finance Division Total and Unencumbered Funds.
- B. Working with independent auditors regarding the audit of the housing trust fund in their performing an audit with a scope that includes the Computation of Housing Finance Division Total and Unencumbered Funds and the Calculation of Bonded Indebtedness Rated at Less Than the Highest Rating.
- C. Preparing letters of instruction to make timely transfers to the housing trust fund, if required.
- D. Monitoring the processes and calculations to ensure ongoing compliance with the statute.

3.2 The **Bond Finance Division** is responsible for:

- A. Working with the Financial Administration Division, the Department's Financial Advisor, and Executive Management of the Department to prepare the Computation of Housing Finance Division Total Unencumbered Funds and confirm the applicability of the conditions specified in Texas Government Code §2306.205(d) or (e).
- B. Preparing the Bond Ratings Report and Calculation of Bonded Indebtedness Rated at less Than the Highest Rating.
- C. Monitoring the processes and calculations to ensure ongoing compliance with the statute.

**APPROVAL:**



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Timothy K. Irvine, Executive Director

September 1, 2013  
(date)



## **APPENDICES**

### **EXHIBIT A**

#### **EXAMPLE OF BOND RATINGS REPORT**

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 Computation of Unencumbered Fund Balances  
 August 31, 2012

	S/F Program	RMRB Program	CHMRB Program	M/F Program	Operating Fund	Housing Trust Fund	Special Housing Programs	Governmental Fund	
<b>Qualifying Assets:</b>									
Cash and Cash Equivalents	\$ 47,927,822	98,439,451	40,154	28,822,738	13,656,077	14,581,106	13,421,822	5,781,623	
Investments @ fair value	21,598,510	2,874,640	371,739	844,995					
Mortgage-backed Sec @ fair value	768,444,876	508,168,911	7,426,841	41,254,807	630,546				
Fair Value Adjustment	(81,158,382)	(44,971,188)	(1,077,938)	(3,910,197)	(63,711)				
Unamortized Prem/Disc	4,303,431	686,016	20,466						
Loans and Contracts (net of Special Loans )	26,326,253	21,048,999		1,075,805,305	212,250	48,708,622			
Special Loans recvble	(21,191,468)	(21,048,999)							
Real Estate owned, @ net	84,614				798				
Accrued Interest receivable	2,996,514	2,065,924	37,674	8,247,402	83,645	2,102	33,429		
Federal Receivable								4,928,543	
Legislative Appropriations								3,089,410	
Subtotal	769,332,170	567,263,754	6,818,936	1,151,065,050	14,519,605	63,291,830	13,455,251	13,799,576	
<b>Less restrictions:</b>									
Trust Indenture	(769,332,170)	(567,263,754)	(6,818,936)	(1,151,065,050)					
Operating Reserve					(172,233)		(6,783,145)		
Appropriated State Treasury Funds					(1,569,181)			(8,871,033)	
2012-2013 GAA Rider 8						(48,710,724)			
Funds Reserved, Committed or under Contract						(14,581,106)			
Add'l restrictions per Department					(12,749,475)				
Fee Reductions							(1,000,000)		
Contingent Legal Expenses							(1,800,000)		
Capital Budget							(429,240)		
Restricted Use of Fees for Administrative Expenses per statute							(3,442,866)		
Federal Funds								(4,928,543)	
Subtotal	(769,332,170)	(567,263,754)	(6,818,936)	(1,151,065,050)	(14,490,889)	(63,291,830)	(13,455,251)	(13,799,576)	
Unencumbered fund balances	\$ -	-	-	-	28,716	-	-	-	28,716

EXHIBIT B

EXAMPLE OF CALCULATION OF BONDED INDEBTEDNESS EXCLUDING BONDS RATED  
IN THE HIGHEST LONG-TERM DEBT RATING CATEGORY

**EXHIBIT B**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 Calculation of Bonded Indebtedness as of August 31, 2013  
 Pursuant to Texas Government Code Section 2306.205**

	<b>Highest Bond Rating</b>	<b>Bonds Outstanding (Par)</b>	<b>Bonded Indebtedness Not Rated in the Highest Category</b>
Single-family	AA+	\$ 574,100,000	\$ 574,100,000
RMRB	Aaa	320,480,000	
CHMRB	AA+	4,400,000	4,400,000
Multifamily	Various	1,012,352,738	814,427,738
		<u>\$ 1,911,332,738</u>	<u>\$ 1,392,927,738</u>

<b>Section 2306.205(a)</b>	
2% of bonded indebtedness not rated in the highest category	\$ 27,858,555
Unencumbered Fund Balance (UFB) per Calculation	\$ <b>278,032</b>
Does UFB exceed 2% of bonded indebtedness?	No
If UFB exceeds 2% of bonded indebtedness:	
What amount exceeds 2% of bonded indebtedness?	\$ -
Half of UFB in excess of 2% of bonded indebtedness (Transfer to Housing Trust Fund)	\$ -

<b>Section 2306.205(c)</b>	
4% of bonded indebtedness not rated in the highest category	\$ 55,717,110
Unencumbered Fund Balance (UFB) per Calculation	\$ <b>278,032</b>
Does UFB exceed 4% of bonded indebtedness?	No
If UFB exceeds 4% of bonded indebtedness:	
What amount exceeds 4% of bonded indebtedness?	\$ -
All of UFB in excess of 4% of bonded indebtedness (Transfer to Housing Trust Fund)	\$ -

EXHIBIT C

EXAMPLE OF COMPUTATION OF HOUSING FINANCE DIVISION TOTAL AND  
UNENCUMBERED FUNDS

EXHIBIT C

Single Family Indenture Bond Ratings Report as of 8/31/2012

Single Family Indenture				Rating Agencies				
Series	CUSIP	Maturity Date	Interest Rate	8/31/2012	Moody's	Standard & Poor's	Fitch	
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch	
2002A	88275FFQ7	3/1/2023	5.450%	\$ 3,825,000.00	Aa1	AA+	#N/A N/A	
	88275FFB0	9/1/2023	5.450%	\$ 7,010,000.00	Aa1	AA+	WD	
	88275FGD5	9/1/2025	5.500%	\$ 1,525,000.00	Aa1	AA+	WD	
	88275FGB9	3/1/2026	5.500%	\$ 4,440,000.00	Aa1	AA+	WD	
	88275FGC7	9/1/2033	5.550%	\$ 6,905,000.00	Aa1	AA+	#N/A N/A	
	88275FFC8	3/1/2034	5.550%	\$ 5,965,000.00	Aa1	AA+	WD	
				<b>\$ 29,670,000.00</b>				
2002B	88275FFD6	3/1/2033	5.350%	\$ 805,000.00	Aa1	AA+	WD	
	88275FFE4	9/1/2033	5.550%	\$ 13,725,000.00	Aa1	AA+	#N/A N/A	
				<b>\$ 14,530,000.00</b>				
2002C	88275FFP9	9/1/2012	4.800%	\$ 525,000.00	Aa1	AA+	WD	
	88275FGE3	9/1/2017	5.200%	\$ 6,110,000.00	Aa1	AA+	WD	
				<b>\$ 6,635,000.00</b>				
2002D	88275FGA1	9/1/2012	4.500%	\$ 890,000.00	Aa1	AA+	WD	
2004A JL	88275FNM7	9/1/2036	VAR	\$ 3,855,000.00	Aa2	AA+/A-1+	#N/A N/A	
2004A	88275FGX1	9/1/2012	3.850%	\$ 1,680,000.00	Aa1	AA+	WD	
	88275FGY9	3/1/2013	4.000%	\$ 160,000.00	Aa1	AA+	WD	
	88275FGZ6	9/1/2013	4.000%	\$ 1,680,000.00	Aa1	AA+	WD	
	88275FHA0	3/1/2018	4.250%	\$ 3,515,000.00	Aa1	AA+	WD	
	88275FHB8	9/1/2018	4.250%	\$ 3,510,000.00	Aa1	AA+	WD	
	88275FHC6	9/1/2024	4.600%	\$ 5,085,000.00	Aa1	AA+	WD	
	88275FHD4	3/1/2025	4.600%	\$ 5,090,000.00	Aa1	AA+	WD	
	88275FHF9	3/1/2035	4.700%	\$ 12,845,000.00	Aa1	AA+	WD	
	88275FHE2	3/1/2035	5.000%	\$ -	Aa1	AAA	WD	
	88275FHG7	9/1/2035	4.700%	\$ 12,845,000.00	Aa1	AA+	WD	
				<b>\$ 46,410,000.00</b>				
2004B	88275FNN5	9/1/2034	VAR	\$ 53,000,000.00				
2004C	88275FHM4	3/1/2019	4.300%	\$ 1,890,000.00	Aa1	AA+	WD	
	88275FHN2	9/1/2024	4.500%	\$ 3,295,000.00	Aa1	AA+	WD	
	88275FHP7	9/1/2030	4.750%	\$ 3,565,000.00	Aa1	AA+	WD	
	88275FHQ5	3/1/2035	5.000%	\$ -	Aa1	AAA	WD	
	88275FHR3	3/1/2036	4.800%	\$ 4,255,000.00	Aa1	AA+	WD	
				<b>\$ 13,005,000.00</b>				
2004D	88275FNP0	3/1/2035	VAR	\$ 35,000,000.00	Aa1	AA+/A-1+	#N/A N/A	
2004E	88275FJF7	9/1/2012	4.000%	\$ 360,000.00	Aa1	AA+	WD	
	88275FJG5	3/1/2013	4.100%	\$ 360,000.00	Aa1	AA+	WD	
	88275FJH3	9/1/2013	4.100%	\$ 370,000.00	Aa1	AA+	WD	
	88275FJK6	3/1/2019	4.300%	\$ 780,000.00	Aa1	AA+	WD	
				<b>\$ 1,870,000.00</b>				
2005A	88275FNQ8	9/1/2036	VAR	\$ 67,475,000.00	Aa1	AA+/A-1+	#N/A N/A	

EXHIBIT C

Single Family Indenture Bond Ratings Report as of 8/31/2012

Single Family Indenture				Rating Agencies			
Series	CUSIP	Maturity Date	Interest Rate	8/31/2012	Moody's	Standard & Poor's	Fitch
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2005B	88275FKE 8	9/1/2012	4.150%	\$ 205,000.00	Aa1	AA+	WD
	88275FKF 5	3/1/2013	4.300%	\$ 210,000.00	Aa1	AA+	WD
	88275FKG 3	9/1/2013	4.300%	\$ 205,000.00	Aa1	AA+	WD
	88275FKH 1	3/1/2014	4.400%	\$ 205,000.00	Aa1	AA+	WD
	88275FKJ 7	9/1/2014	4.400%	\$ 210,000.00	Aa1	AA+	WD
	88275FKK 4	3/1/2015	4.550%	\$ 220,000.00	Aa1	AA+	WD
	88275FKL 2	9/1/2015	4.550%	\$ 225,000.00	Aa1	AA+	WD
	88275FKM 0	9/1/2020	4.800%	\$ 2,625,000.00	Aa1	AA+	WD
	88275FKN 8	9/1/2025	4.900%	\$ 3,200,000.00	Aa1	AA+	WD
	88275FKP 3	9/1/2026	4.250%	\$ 915,000.00	Aa1	AA+	WD
				<b>\$ 8,220,000.00</b>			
2005D	88275FKQ1	9/1/2035	5.000%	\$ 3,040,000.00	Aa1	AA+	WD
2005C	88275FNR6	9/1/2017	VAR	\$ 4,290,000.00	Aa1	AA+/A-1+	#N/A N/A
2006A	88275FKS7	9/1/2037	5.000%	\$ 34,935,000.00	Aa1	AA+	#N/A N/A
2006B	88275FKT5	9/1/2034	5.000%	\$ 38,645,000.00	Aa1	AA+	#N/A N/A
2006C	88275FKU2	9/1/2037	5.125%	\$ 59,820,000.00	Aa1	AA+	#N/A N/A
2006D	88275FKV0	9/1/2021	4.800%	\$ 1,275,000.00	Aa1	AA+	#N/A N/A
	88275FKW8	3/1/2028	4.400%	\$ 5,890,000.00	Aa1	AA+	#N/A N/A
	88275FKX6	9/1/2028	4.950%	\$ 4,240,000.00	Aa1	AA+	#N/A N/A
			<b>\$ 11,405,000.00</b>				
2006E	88275FLD9	9/1/2012	4.000%	\$ 1,480,000.00	Aa1	AA+	#N/A N/A
	88275FLE7	9/1/2013	4.050%	\$ 1,545,000.00	Aa1	AA+	#N/A N/A
	88275FLF4	9/1/2014	4.150%	\$ 1,605,000.00	Aa1	AA+	#N/A N/A
	88275FLG2	9/1/2015	4.250%	\$ 1,675,000.00	Aa1	AA+	#N/A N/A
	88275FLH0	9/1/2016	4.300%	\$ 1,755,000.00	Aa1	AA+	#N/A N/A
	88275FLJ6	9/1/2017	4.400%	\$ 1,830,000.00	Aa1	AA+	#N/A N/A
			<b>\$ 9,890,000.00</b>				
2006F	88275FLL1	9/1/2022	4.650%	\$ 2,370,000.00	Aa1	AA+	#N/A N/A
	88275FLM9	9/1/2027	4.800%	\$ 4,455,000.00	Aa1	AA+	#N/A N/A
	88275FLN7	9/1/2032	4.850%	\$ 5,965,000.00	Aa1	AA+	#N/A N/A
	88275FLP2	3/1/2037	5.750%	\$ 13,070,000.00	Aa1	AA+	#N/A N/A
	88275FLQ0	3/1/2038	4.900%	\$ 9,915,000.00	Aa1	AA+	#N/A N/A
			<b>\$ 35,775,000.00</b>				
2006G	88275FLZ0	9/1/2012	4.125%	\$ 390,000.00	Aa1	AA+	#N/A N/A
	88275FMA4	9/1/2013	4.250%	\$ 815,000.00	Aa1	AA+	#N/A N/A
	88275FMB2	9/1/2014	4.300%	\$ 865,000.00	Aa1	AA+	#N/A N/A
	88275FMC0	9/1/2015	4.375%	\$ 930,000.00	Aa1	AA+	#N/A N/A
	88275FMD8	9/1/2016	4.400%	\$ 520,000.00	Aa1	AA+	#N/A N/A
	88275FME6	9/1/2019	4.600%	\$ 1,515,000.00	Aa1	AA+	#N/A N/A
			<b>\$ 5,035,000.00</b>				
2006H	88275FLK3	9/1/2037	VAR	\$ 36,000,000.00	Aa1	AA+/A-1+	#N/A N/A
2007A	88275FMF3	9/1/2038	VAR	\$ 94,820,000.00	Aa1	AA+/A-1+	#N/A N/A

EXHIBIT C

Single Family Indenture Bond Ratings Report as of 8/31/2012

Single Family Indenture				Rating Agencies				
				8/31/2012	Moody's	Standard & Poor's	Fitch	
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch	
2007B	88275FMG1	9/1/2009	3.900%	\$ -	Aa1	AAA	#N/A N/A	
	88275FMH9	9/1/2010	4.000%	\$ -	Aa1	AAA	#N/A N/A	
	88275FMJ5	9/1/2011	4.050%	\$ -	Aa1	AA+	#N/A N/A	
	88275FMK2	9/1/2012	4.150%	\$ 1,240,000.00	Aa1	AA+	#N/A N/A	
	88275FML0	9/1/2013	4.250%	\$ 1,300,000.00	Aa1	AA+	#N/A N/A	
	88275FMM8	9/1/2014	4.350%	\$ 1,365,000.00	Aa1	AA+	#N/A N/A	
	88275FMN6	9/1/2015	4.550%	\$ 1,430,000.00	Aa1	AA+	#N/A N/A	
	88275FMP1	9/1/2016	4.600%	\$ 1,505,000.00	Aa1	AA+	#N/A N/A	
	88275FMQ9	9/1/2017	4.700%	\$ 1,565,000.00	Aa1	AA+	#N/A N/A	
	88275FMR7	9/1/2022	5.050%	\$ 9,195,000.00	Aa1	AA+	#N/A N/A	
	88275FMS5	9/1/2027	5.150%	\$ 11,915,000.00	Aa1	AA+	#N/A N/A	
	88275FMT3	9/1/2032	5.250%	\$ 15,510,000.00	Aa1	AA+	#N/A N/A	
	88275FMU0	3/1/2039	5.625%	\$ 23,605,000.00	Aa1	AA+	#N/A N/A	
	88275FMW6	9/1/2039	5.150%	\$ 25,000,000.00	Aa1	AA+	#N/A N/A	
	88275FMV8	9/1/2039	5.300%	\$ 13,055,000.00	Aa1	AA+	#N/A N/A	
				<b>\$ 106,685,000.00</b>				
			<b>Total Bonds Outstanding</b>	<b>\$ 720,900,000.00</b>				
			<b>Bonds Rated in the Highest Category (Aaa OR AAA)</b>	<b>\$ -</b>				
			<b>Bonds NOT Rated in the Highest Category (Aaa OR AAA)</b>	<b>\$ 720,900,000.00</b>				



EXHIBIT C

RMRB Indenture Bond Ratings Report as of 8/31/2012

RMRB Indenture				Rating Agencies			
				8/31/2012	Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2003A	882750HZ8	1/1/2013	4.000%	\$ 560,000.00	Aaa	AA+	#N/A N/A
	882750JA1	1/1/2023	4.850%	\$ 7,900,000.00	Aaa	AA+	#N/A N/A
	882750JD5	7/1/2034	5.000%	\$ 31,380,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 39,840,000.00</b>			
2009A	882750JT0	1/1/2013	2.250%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750JU7	7/1/2013	2.350%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750JV5	1/1/2014	2.750%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750JW3	7/1/2014	2.800%	\$ 240,000.00	Aaa	AA+	#N/A N/A
	882750JX1	1/1/2015	3.050%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750JY9	7/1/2015	3.100%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750JZ6	1/1/2016	3.375%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750KA9	7/1/2016	3.450%	\$ 240,000.00	Aaa	AA+	#N/A N/A
	882750KB7	1/1/2017	3.800%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750KC5	7/1/2017	3.800%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750KD3	1/1/2018	3.900%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750KE1	7/1/2018	3.900%	\$ 240,000.00	Aaa	AA+	#N/A N/A
	882750KF8	1/1/2019	4.000%	\$ 245,000.00	Aaa	AA+	#N/A N/A
	882750KG6	7/1/2019	4.000%	\$ 280,000.00	Aaa	AA+	#N/A N/A
	882750KH4	7/1/2024	4.850%	\$ 3,160,000.00	Aaa	AA+	#N/A N/A
	882750JN3	7/1/2029	5.100%	\$ 9,760,000.00	Aaa	AA+	#N/A N/A
	882750JP8	7/1/2034	5.300%	\$ 8,940,000.00	Aaa	AA+	#N/A N/A
	882750KJ0	1/1/2039	5.375%	\$ 12,600,000.00	Aaa	AA+	#N/A N/A
882750KK7	7/1/2039	5.450%	\$ 15,760,000.00	Aaa	AA+	#N/A N/A	
			<b>\$ 53,670,000.00</b>				
2009B	882750KQ4	1/1/2013	3.050%	\$ 335,000.00	Aaa	AA+	#N/A N/A
	882750KR2	1/1/2014	3.550%	\$ 355,000.00	Aaa	AA+	#N/A N/A
	882750KS0	7/1/2014	3.600%	\$ 90,000.00	Aaa	AA+	#N/A N/A
	882750KT8	7/1/2016	4.250%	\$ 360,000.00	Aaa	AA+	#N/A N/A
	882750KU5	7/1/2017	4.550%	\$ 20,000.00	Aaa	AA+	#N/A N/A
	882750KV3	1/1/2018	4.700%	\$ 230,000.00	Aaa	AA+	#N/A N/A
	882750KW1	7/1/2018	4.700%	\$ 220,000.00	Aaa	AA+	#N/A N/A
	882750KY7	7/1/2019	4.800%	\$ 7,410,000.00	Aaa	AA+	#N/A N/A
	882750KX9	7/1/2022	5.250%	\$ 6,290,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 15,310,000.00</b>			
2009C-1	882750MA7	7/1/2041	3.570%	\$ 88,280,000.00	Aaa	AA+	#N/A N/A

EXHIBIT C

RMRB Indenture Bond Ratings Report as of 8/31/2012

RMRB Indenture				Rating Agencies			
				8/31/2012	Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2011A	882750LC4	1/1/2013	1.250%	\$ 1,140,000.00	Aaa	AA+	#N/A N/A
	882750LD2	7/1/2013	1.400%	\$ 1,155,000.00	Aaa	AA+	#N/A N/A
	882750LE0	1/1/2014	1.800%	\$ 1,170,000.00	Aaa	AA+	#N/A N/A
	882750LF7	7/1/2014	1.900%	\$ 1,190,000.00	Aaa	AA+	#N/A N/A
	882750LG5	1/1/2015	2.350%	\$ 1,210,000.00	Aaa	AA+	#N/A N/A
	882750LH3	7/1/2015	2.450%	\$ 1,230,000.00	Aaa	AA+	#N/A N/A
	882750LJ9	1/1/2016	2.800%	\$ 1,255,000.00	Aaa	AA+	#N/A N/A
	882750LK6	7/1/2016	2.900%	\$ 1,280,000.00	Aaa	AA+	#N/A N/A
	882750LL4	1/1/2017	3.100%	\$ 1,310,000.00	Aaa	AA+	#N/A N/A
	882750LM2	7/1/2017	3.200%	\$ 1,340,000.00	Aaa	AA+	#N/A N/A
	882750LNO	1/1/2008	3.500%	\$ 1,370,000.00	Aaa	AA+	#N/A N/A
	882750LP5	7/1/2018	3.600%	\$ 1,405,000.00	Aaa	AA+	#N/A N/A
	882750LQ3	1/1/2019	3.875%	\$ 1,440,000.00	Aaa	AA+	#N/A N/A
	882750LR1	7/1/2019	3.950%	\$ 1,480,000.00	Aaa	AA+	#N/A N/A
	882750LS9	1/1/2020	4.125%	\$ 1,520,000.00	Aaa	AA+	#N/A N/A
	882750LT7	7/1/2020	4.125%	\$ 1,560,000.00	Aaa	AA+	#N/A N/A
	882750LU4	1/1/2021	4.375%	\$ 1,605,000.00	Aaa	AA+	#N/A N/A
	882750LV2	7/1/2021	4.375%	\$ 1,650,000.00	Aaa	AA+	#N/A N/A
	882750LW0	1/1/2022	4.550%	\$ 1,700,000.00	Aaa	AA+	#N/A N/A
	882750LX8	7/1/2022	4.550%	\$ 1,750,000.00	Aaa	AA+	#N/A N/A
	882750LY6	7/1/2026	5.050%	\$ 14,825,000.00	Aaa	AA+	#N/A N/A
	882750LZ3	7/1/2029	5.000%	\$ 14,610,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 57,195,000.00</b>			
2009C-2	882750NB4	7/1/2041	2.480%	\$ 59,760,000.00	Aaa	AA+	#N/A N/A
2011B	882750MC3	1/1/2013	0.600%	\$ 1,400,000.00	Aaa	AA+	#N/A N/A
	882750MD1	7/1/2013	0.700%	\$ 1,405,000.00	Aaa	AA+	#N/A N/A
	882750ME9	1/1/2014	1.000%	\$ 1,415,000.00	Aaa	AA+	#N/A N/A
	882750MF6	7/1/2014	1.100%	\$ 1,425,000.00	Aaa	AA+	#N/A N/A
	882750MG4	1/1/2015	1.300%	\$ 1,440,000.00	Aaa	AA+	#N/A N/A
	882750MH2	7/1/2015	1.350%	\$ 1,455,000.00	Aaa	AA+	#N/A N/A
	882750MJ8	1/1/2016	1.800%	\$ 1,470,000.00	Aaa	AA+	#N/A N/A
	882750MK5	7/1/2016	1.900%	\$ 1,490,000.00	Aaa	AA+	#N/A N/A
	882750ML3	1/1/2017	2.150%	\$ 1,510,000.00	Aaa	AA+	#N/A N/A
	882750MM1	7/1/2017	2.250%	\$ 1,530,000.00	Aaa	AA+	#N/A N/A
	882750MN9	1/1/2018	2.550%	\$ 1,550,000.00	Aaa	AA+	#N/A N/A
	882750MP4	7/1/2018	2.600%	\$ 1,575,000.00	Aaa	AA+	#N/A N/A
	882750MQ2	1/1/2019	2.850%	\$ 1,600,000.00	Aaa	AA+	#N/A N/A
	882750MR0	7/1/2019	2.900%	\$ 1,630,000.00	Aaa	AA+	#N/A N/A
	882750MS8	1/1/2020	3.100%	\$ 1,660,000.00	Aaa	AA+	#N/A N/A
	882750MT6	7/1/2020	3.100%	\$ 1,690,000.00	Aaa	AA+	#N/A N/A
	882750MU3	1/1/2021	3.300%	\$ 1,720,000.00	Aaa	AA+	#N/A N/A
	882750MV1	7/1/2021	3.300%	\$ 1,755,000.00	Aaa	AA+	#N/A N/A
	882750MW9	1/1/2022	3.500%	\$ 1,790,000.00	Aaa	AA+	#N/A N/A
	882750MX7	7/1/2022	3.500%	\$ 1,825,000.00	Aaa	AA+	#N/A N/A
	882750MY5	1/1/2026	4.050%	\$ 16,240,000.00	Aaa	AA+	#N/A N/A
	882750MZ2	1/1/2030	4.450%	\$ 15,140,000.00	Aaa	AA+	#N/A N/A
	882750NA6	1/1/2034	4.250%	\$ 24,105,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 86,820,000.00</b>			
2009C-3	882750NC2	7/1/2041	2.490%	\$ 72,660,000.00	Aaa	NR	#N/A N/A
<b>Total Bonds Outstanding</b>				<b>\$ 473,535,000.00</b>			
<b>Bonds Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$ 473,535,000.00</b>			
<b>Bonds NOT Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$ -</b>			

**CHMRB Indenture Bond Ratings Report as of 8/31/2012**

CHMRB				Rating Agencies			
Series	CUSIP	Maturity	Coupon	8/31/2012	Moody's	Standard & Poor's	Fitch
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
1992 C-1 & 1992 C-2 (Linked)	882749BM5	7/2/2024	6.9	\$ 2,800,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-1 (SAVRS)	882749BP8	7/2/2024	0.114	\$ 1,400,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-2 (RIBS)	882749BN3	7/2/2024	13.4	\$ 1,400,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-2 (Special Linked)	882749BQ6	7/2/2024	6.758		#N/A N/A	AA+	#N/A N/A
1992 C-2 (Special SAVRS)	882749BR6	7/2/2024	#N/A N/A		#N/A N/A	AA+	#N/A N/A
<b>Total Bonds Outstanding</b>				<b>\$ 5,600,000.00</b>			

**Bonds Rated in the Highest Category (Aaa OR AAA)**

**Bonds NOT Rated in the Highest Category (Aaa OR AAA) \$ 5,600,000.00**

## EXHIBIT C

## Multifamily Bond Ratings Report as of 8/31/2012

Multifamily				Rating Agencies			
MF Bond Issue	CUSIP	MF Program#	Private or Public	8/31/2012	Moody's	Standard & Poor's	Fitch
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
1996 A MF Refunding (Brighton's Mark Development)	88275BBK3	0065	Private Place	\$ 8,075,000.00	#N/A N/A	NR	#N/A N/A
1998 MF (Pebble Brook Apartments Project)	88275BCS5	0089	Public Offer	\$ 8,780,000.00	#N/A N/A	AA+	#N/A N/A
1998 A MF (Residence at the Oaks Project)	88275BDA3	0090	Private Place	\$ 4,226,000.00	#N/A N/A	NR	#N/A N/A
1998 B MF (Residence at the Oaks Project)	88275BDB1	0090	Private Place	\$ 2,257,000.00	#N/A N/A	NR	#N/A N/A
1998 C MF (Residence at the Oaks Project)	88275BDB1	0090	Private Place	\$ 77,000.00	#N/A N/A	NR	#N/A N/A
1998 A MF (Greens of Hickory Trail Apartments)	88275BDD7	0092	Public Offer	\$ 10,800,000.00	Aaa	AA+	WD
1998 A MF (Greens of Hickory Trail Apartments)	88275BDE5	0092	Public Offer	\$ 165,000.00	Aaa	AA+	WD
1999 A MF (Mayfield Apartments)	88275BDG0	0093	Private Place	\$ 6,788,000.00	#N/A N/A	NR	#N/A N/A
1999 B MF (Mayfield Apartments)	88275BDH8	0093	Private Place	\$ 2,442,000.00	#N/A N/A	NR	#N/A N/A
2000 MF (Timber Point Apartments)	88275BDS4	0095	Public Offer	\$ 6,970,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2000 A MF (Oaks at Hampton Apartments)	None	0096	Private Place	\$ 9,308,358.00	Charter Mac Equity Issuer Trust		
2000 MF (Deerwood Pines Apartments)	88275BEQ7	0097	Public Offer	\$ 5,545,000.00	#N/A N/A	AA-	#N/A N/A
2000 MF (Creek Point Apartments)	88275BER5	0098	Public Offer	\$ 5,960,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2000 A MF (Parks at Westmoreland Apartments)	None	0099	Private Place	\$ 9,269,993.00	Charter Mac Equity Issuer Trust		
2000 A MF (Highland Meadow Village Apartments)	88275BEW4	0101	Private Place	\$ 7,867,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Greenbridge at Buckingham Apartments)	88275BFH6	0102	Private Place	\$ 19,474,075.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Collingham Park Apartments)	88275BEZ7	0103	Private Place	\$ 9,644,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 B MF (Collingham Park Apartments)	88275BFA1	0103	Private Place	\$ 2,176,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Williams Run Apartments)	88275BGK8	0104	Private Place	\$ 12,417,288.97	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Bluffview Apartments)	88275BGJ1	0106	Private Place	\$ 10,141,758.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Knollwood Apartments)	88275BGE2	0107	Private Place	\$ 13,032,633.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Skyway Villas Apartments)	88275BFN3	0108	Public Offer	\$ 5,520,000.00	WR	NR	WD
2001 B MF (Skyway Villas Apartments)	88275BFQ6	0108	Private Place	\$ 1,390,000.00	WR	#N/A N/A	#N/A N/A
2001 MF (Greens Road Apartments)*	N/A	0110	Private Place	\$ 2,645,000.00	Aaa	NR	NR
2001 MF (Greens Road Apartments)*	N/A	0110	Private Place	\$ 4,730,000.00	Aaa	NR	NR
2001 A-1 MF (Meridian Apartments)	88275ACG3	0111	Public Offer	\$ 7,863,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 B MF (Meridian Apartments)	88275ACH1	0111	Private Place	\$ 391,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A-1 MF (Wildwood Apartments)	88275ACJ7	0112	Public Offer	\$ 6,385,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Fallbrook Apartments)	88275BGB8	0113	Private Place	\$ 11,639,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 B MF (Fallbrook Apartments)	88275BGC6	0113	Private Place	\$ 1,422,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Oak Hollow Apartments)	88275BGV4	0114	Private Place	\$ 6,150,181.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Hillside Apartments)	88275BGX0	0115	Private Place	\$ 12,341,818.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 A-1 MF (Millstone Apartments)**	N/A	0116	Private Place	\$ 7,700,000.00	Aaa	NR	NR
2002 B MF (Millstone Apartments)**	N/A	0116	Private Place	\$ 1,940,000.00	Aaa	NR	NR
2002 MF (Park Meadows Apartments)	88275BGW2	0119	Private Place	\$ 3,980,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 MF (Clarkridge Villas Apartments)	None	0120	Private Place	\$ 13,322,367.00	Charter Mac Equity Issuer Trust		
2002 MF (Hickory Trace Apartments)	None	0121	Private Place	\$ 11,016,530.00	Charter Mac Equity Issuer Trust		
2002 MF (Green Crest Apartments)	88275BHS0	0122	Public Offer	\$ 10,968,568.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 A MF (Ironwood Crossing)	None	0123	Private Place	\$ 15,000,000.00	Charter Mac Equity Issuer Trust		
2002 B MF (Ironwood Crossing)	None	0123	Private Place	\$ 1,415,003.00	Charter Mac Equity Issuer Trust		
2002 MF (Woodway Village)	88275BHE1	0124	Public Offer	\$ 6,970,000.00	#N/A N/A	AA+	#N/A N/A
2003 A MF Refunding (Reading Road)	88275BJJ8	0125	Public Offer	\$ 9,350,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2003 B MF Refunding (Reading Road)	88275BJK5	0125	Private Place	\$ 1,800,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (North Vista)	88275BHL5	0126	Public Offer	\$ 9,460,000.00	WR	NR	WD
2003 A MF (North Vista)	88275BHM3	0126	Public Offer	\$ 2,360,000.00	WR	NR	WD
2003 A MF (West Virginia Apartments)	88275BHT8	0127	Public Offer	\$ 6,825,000.00	WR	NR	WD
2003 A MF (West Virginia Apartments)	88275BHU5	0127	Public Offer	\$ 1,710,000.00	WR	NR	WD
2003 A MF (Primrose Houston School Apartments)	88275BJB5	0129	Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 B MF (Primrose Houston School Apartments)	88275BJC3	0129	Private Place	\$ 1,084,998.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Timber Oaks Apartments)	None	0130	Private Place	\$ 10,900,000.00	Charter Mac Equity Issuer Trust		
2003 B MF (Timber Oaks Apartments)	None	0130	Private Place	\$ 1,859,850.31	Charter Mac Equity Issuer Trust		
2003 A MF (Ash Creek Apartments)	88275BJJ8	0131	Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 B MF (Ash Creek Apartments)	88275BJT6	0131	Private Place	\$ 807,447.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Peninsula Apartments)	88275BJU3	0132	Public Offer	\$ 11,220,000.00	#N/A N/A	AA+	#N/A N/A
2003 A MF (Arlington Villas Apartments)	88275BJX7	0134	Public Offer	\$ 15,000,000.00	WR	#N/A N/A	#N/A N/A
2003 B MF (Arlington Villas Apartments)	88275BJY5	0134	Public Offer	\$ 1,614,793.00	WR	#N/A N/A	#N/A N/A
2003 A MF (Parkview Townhomes Apartments)	None	0135	Private Place	\$ 13,499,022.33	Charter Mac Equity Issuer Trust		
2003 MF (NHP Foundation - Asmara Project)	88275BHG6	0136	Public Offer	\$ 19,155,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2004 A MF (Timber Ridge II Apartments)	88275BJZ2	0137	Private Place	\$ 6,470,705.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 A MF (Century Park Townhomes)	88275BKD9	0138	Public Offer	\$ 9,365,000.00	WR	NR	WD
2004 B MF (Century Park Townhomes)	88275BKC1	0138	Private Place	\$ 2,345,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 A MF (Providence at Veterans Memorial Townhomes)	None	0140	Private Place	\$ 6,859,981.05	Charter Mac Equity Issuer Trust		
2004 MF (Providence at Rush Creek II)	88275BKH0	0141	Private Place	\$ 8,539,341.91	#N/A N/A	NR	#N/A N/A
2004 MF (Humble Parkway Townhomes)	88275BKJ6	0142	Public Offer	\$ 11,040,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Chisholm Trail Apartments)	88275BKR8	0143	Public Offer	\$ 11,200,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Evergreen at Plano Parkway)	88275BKX5	0144	Private Place	\$ 14,281,487.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Montgomery Pines Apartments)	88275BKU1	0145	Public Offer	\$ 11,700,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Bristol Apartments)	88275BKT4	0146	Public Offer	\$ 11,900,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Pinnacle Apartments)	88275BKV9	0147	Public Offer	\$ 13,765,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A

EXHIBIT C

Multifamily Bond Ratings Report as of 8/31/2012

Multifamily				Rating Agencies				
				8/31/2012	Moody's	Standard & Poor's	Fitch	
MF Bond Issue	CUSIP	MF Program#	Private or Public	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch	
2004 MF (Tranquility Bay Apartments)	88275BKY3	0148	Private Place	\$ 13,770,490.84	#N/A N/A	#N/A N/A	#N/A N/A	
2004 MF (Churchill at Pinnacle Park)	88275BKZ0	0150	Private Place	\$ 9,710,460.59	#N/A N/A	#N/A N/A	#N/A N/A	
2004 MF (Providence at Village Fair)	None	0152	Private Place	\$ 13,594,016.30	Charter Mac Equity Issuer Trust			
2005 MF (Homes at Pecan Grove)	88275BLW6	0153	Public Offer	\$ 13,535,351.00	#N/A N/A	#N/A N/A	#N/A N/A	
2005 MF (Providence at Prairie Oaks)	None	0154	Private Place	\$ 10,660,416.00	Charter Mac Equity Issuer Trust			
2005 MF (Port Royal Homes)	None	0155	Private Place	\$ 11,777,502.00	Charter Mac Equity Issuer Trust			
2005 MF (Mission Del Rio Homes)	88275BLK2	0156	Private Place	\$ 11,092,090.00	#N/A N/A	#N/A N/A	#N/A N/A	
2005 MF (Atascocita Pines Apartments)	88275BLV8	0157	Public Offer	\$ 11,400,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2005 MF (Tower Ridge Apartments)	88275BLX4	0158	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2005 MF (Prairie Ranch Apartments)	88275BMC9	0161	Public Offer	\$ 11,550,000.00	Aaa	#N/A N/A	#N/A N/A	
2005 MF (St. Augustine Estate Apartments)	88275BME5	0162	Public Offer	\$ 6,280,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2005 MF (Park Manor Senior Community)	88275BMD7	0163	Private Place	\$ 10,400,000.00	#N/A N/A	#N/A N/A	#N/A N/A	
2005 MF (Providence Mockingbird Apartments)	None	0164	Private Place	\$ 13,904,337.00	Charter Mac Equity Issuer Trust			
2005 MF (Plaza at Chase Oaks Apartments)	None	0165	Private Place	\$ 13,112,244.38	Washington Mutual Bank			
2005 MF (Canal Place Apartments)	88275BMG0	0166	Private Place	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2005 MF (Canal Place Apartments)	88275BMH8	0166	Private Place	\$ 582,950.00	#N/A N/A	AA/A-1+	#N/A N/A	
2005 MF (Coral Hills Apartments)	88275BMP0	0167	Public Offer	\$ 4,750,000.00	#N/A N/A	AA+	#N/A N/A	
2006 MF (Harris Branch Apartments)	88275BMZ8	0168	Public Offer	\$ 14,290,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2006 MF (Bella Vista Apartments)	88275BNB0	0169	Private Place	\$ 6,600,000.00	#N/A N/A	#N/A N/A	#N/A N/A	
2006 MF (Village Park Apartments)	88275BNC8	0170	Public Offer	\$ 10,110,000.00	#N/A N/A	AA+	#N/A N/A	
2006 MF (Oakmoor Apartments)	88275BNA2	0171	Private Place	\$ 14,119,607.00	#N/A N/A	#N/A N/A	#N/A N/A	
2006 MF (The Residences at Sunset Pointe)	88275AAA8	0172	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2006 MF (Hillcrest Apartments)	88275AAE0	0173	Public Offer	\$ 10,690,000.00	#N/A N/A	NR	#N/A N/A	
2006 MF (Pleasant Village)	None	0174	Private Place	\$ 5,645,792.77	US Bank			
2006 Multi-Family (Grove Village)	None	0175	Private Place	\$ 5,815,167.00	US Bank			
2006 MF (Red Hills Villas) Refunding	88275AAK6	0176	Public Offer	\$ 4,815,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2006 MF (Champions Crossing Apartments)	88275AAJ9	0177	Public Offer	\$ 4,780,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2006 MF (Stonehaven Apartments)	None	0178	Private Place	\$ 10,992,314.00	Washington Mutual Bank			
2006 Multi-Family (Center Ridge Apartments)	88275AAL4	0179	Private Place	\$ 8,325,000.00	#N/A N/A	AAA	#N/A N/A	
2006 MF (Meadowlands Apartments)	88275AAH3	0180	Private Place	\$ 12,157,419.43	#N/A N/A	#N/A N/A	#N/A N/A	
2006 MF (East Tex Pines)	88275AAP5	0181	Private Place	\$ 13,325,000.00	#N/A N/A	#N/A N/A	#N/A N/A	
2006 MF (Villas at Henderson)	88275AAV2	0182	Public Offer	\$ 6,925,000.00	#N/A N/A	A/A-1	#N/A N/A	
2006 MF (Aspen Park)	88275AAR1	0183	Public Place	\$ 9,455,000.00	#N/A N/A	AA+	#N/A N/A	
2006 MF (Idlewild)	88275AAY6	0184	Public Offer	\$ 13,830,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2007 MF (Lancaster)	88275ABA79	0185	Public Offer	\$ 13,830,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2007 MF (Park Place at Loyola)	88275ABB5	0186	Private Place	\$ 14,150,000.00	#N/A N/A	#N/A N/A	#N/A N/A	
2007 MF (Terraces at Cibolo)	88275ABC3	0187	Public Place	\$ 5,000,000.00	#N/A N/A	A/A-1	#N/A N/A	
2007 MF (Santora Villas)	88275ABD1	0188	Private Place	\$ 12,026,555.56	#N/A N/A	#N/A N/A	#N/A N/A	
2007 MF (Villas @ Mesquite)	88275ABH2	0189	Public Offer	\$ 16,330,000.00	Aa1	#N/A N/A	#N/A N/A	
2007 MF (Summit Point)	88275ABJB	0190	Public Offer	\$ 9,270,000.00	#N/A N/A	AA+	#N/A N/A	
2007 MF (Costa Rialto)	None	0191	Private Place	\$ 10,551,219.00	Centerline Equity Issuer Trust			
2007 MF (Windshire)	88275ABN9	0192	Public Offer	\$ 13,700,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2007 MF (Residences @ Onion Creek)	88275ABX7	0193	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2008 MF (West Oaks Apartments)	88275ABY5	0194	Public Offer	\$ 12,635,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2008 MF (Costa Ibiza Apartments)	88275ACD0	0195	Public Offer	\$ 13,450,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2008 MF (Addison Park Apartments)	88275ACE8	0196	Public Offer	\$ 13,435,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2008 MF (Alta Cullen Refunding)	88275ACF5	0197	Public Offer	\$ 12,500,000.00	#N/A N/A	AA+/A-1+	#N/A N/A	
2009 MF (Costa Mariposa)	88275ACK4	0198	Public Offer	\$ 13,690,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	
2009 MF (Woodmont)	88275ACL2	0199	Public Offer	\$ 15,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A	

\$ 1,075,881,131.44

Bonds Rated in the Highest Category (Aaa OR AAA) \$ 237,455,000.00

Bonds NOT Rated in the Highest Category (Aaa OR AAA) \$ 838,426,131.44

\* Bonds were redeemed in full on 12/3/2012

\*\*Bonds were redeemed in full on 1/11/2013

Texas Department of  
Housing and Community  
Affairs - Housing Finance  
Division

Draft Computation of Unencumbered  
Fund Balances as of August 31, 2013

**EXHIBIT A**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Computation of Unencumbered Fund Balances  
August 31, 2013**

	<b>S/F Program</b>	<b>RMRB Program</b>	<b>CHMRB Program</b>	<b>Taxable Mortgage Program</b>	<b>M/F Program</b>	<b>Operating Fund</b>	<b>Housing Trust Fund</b>	<b>Special Housing Programs</b>	<b>Governmental Fund</b>
<b>Qualifying Assets:</b>									
Cash and Cash Equivalents	49,969,386	23,059,832	35,312	2,432,764	26,475,584	6,903,672	7,096,454	14,560,979	10,941,765
Investments @ fair value	35,312,563		273,811		745,410				
Mortgage-backed Sec @ fair value	571,909,570	342,256,386	6,078,669	7,813,807	38,563,899	2,600,540			
Fair Value Adjustment	(42,499,419)	(16,742,097)	(732,358)	43,155	(1,617,101)	(143,079)			
Loans and Contracts	22,620,002	32,102,500			1,012,167,433	58,887	51,502,370	113,416	465,574,184
Real Estate owned, @ net	132,318					798	123,893	131,227	
Accrued Interest receivable	2,302,698	1,231,896	32,076	34,931	7,894,033	47,245	8	33,389	
Federal Receivable									6,519,356
Legislative Appropriations									3,324,022
<b>Subtotal</b>	<b>639,747,118</b>	<b>381,908,517</b>	<b>5,687,510</b>	<b>10,324,657</b>	<b>1,084,229,258</b>	<b>9,468,063</b>	<b>58,722,725</b>	<b>14,839,011</b>	<b>486,359,327</b>
<b>Less restrictions:</b>									
Trust Indenture	(639,747,118)	(381,908,517)	(5,687,510)	(10,324,657)	(1,084,229,258)				
Operating Reserve						(705,243)		(7,294,757)	
Appropriated State Treasury Funds						(1,342,186)			(3,324,022)
Designated for program use per Government Code, Chapter 2306							(51,626,271)		
Funds Reserved, Committed or under Contract							(7,096,454)		
Add'l restrictions per Department						(6,785,983)			
Fee Reductions								(1,000,000)	
Contingent Legal Expenses								(1,893,969)	
Capital Budget								(429,240)	
Restricted Use of Fees for Administrative Expenses						(702,484)		(3,943,013)	
Federal Funds									(483,035,305)
<b>Subtotal</b>	<b>(639,747,118)</b>	<b>(381,908,517)</b>	<b>(5,687,510)</b>	<b>(10,324,657)</b>	<b>(1,084,229,258)</b>	<b>(9,535,896)</b>	<b>(58,722,725)</b>	<b>(14,560,979)</b>	<b>(486,359,327)</b>
<b>Unencumbered fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278,032</b>	<b>-</b>
									<b>278,032</b>

**EXHIBIT B**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 Calculation of Bonded Indebtedness as of August 31, 2013  
 Pursuant to Texas Government Code Section 2306.205**

	<b>Highest Bond Rating</b>	<b>Bonds Outstanding (Par)</b>	<b>Bonded Indebtedness Not Rated in the Highest Category</b>
Single-family	AA+	\$ 574,100,000	\$ 574,100,000
RMRB	Aaa	320,480,000	
CHMRB	AA+	4,400,000	4,400,000
Multifamily	Various	1,012,352,738	814,427,738
		<u>\$ 1,911,332,738</u>	<u>\$ 1,392,927,738</u>

<b>Section 2306.205(a)</b>	
2% of bonded indebtedness not rated in the highest category	\$ 27,858,555
Unencumbered Fund Balance (UFB) per Calculation	\$ <b>278,032</b>
Does UFB exceed 2% of bonded indebtedness?	No
If UFB exceeds 2% of bonded indebtedness:	
What amount exceeds 2% of bonded indebtedness?	\$ -
Half of UFB in excess of 2% of bonded indebtedness (Transfer to Housing Trust Fund)	\$ -

<b>Section 2306.205(c)</b>	
4% of bonded indebtedness not rated in the highest category	\$ 55,717,110
Unencumbered Fund Balance (UFB) per Calculation	\$ <b>278,032</b>
Does UFB exceed 4% of bonded indebtedness?	No
If UFB exceeds 4% of bonded indebtedness:	
What amount exceeds 4% of bonded indebtedness?	\$ -
All of UFB in excess of 4% of bonded indebtedness (Transfer to Housing Trust Fund)	\$ -



**EXHIBIT C**

Single Family Indenture					Rating Agencies		
					Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2004A JL	88275FNM7	9/1/2036	VAR	\$ 3,855,000.00	Aa2/VMIG1	AA+/A-1+	#N/A N/A
2004A	88275FGZ6	9/1/2013	4.000%	\$ 1,110,000.00	Aa1	AA+	WD
	88275FHA0	3/1/2018	4.250%	\$ 2,330,000.00	Aa1	AA+	WD
	88275FHB8	9/1/2018	4.250%	\$ 2,330,000.00	Aa1	AA+	WD
	88275FHC6	9/1/2024	4.600%	\$ 3,380,000.00	Aa1	AA+	WD
	88275FHD4	3/1/2025	4.600%	\$ 3,385,000.00	Aa1	AA+	WD
	88275FHF9	3/1/2035	4.700%	\$ 8,525,000.00	Aa1	AA+	WD
	88275FHE2	3/1/2035	5.000%	\$ -	Aa1	AAA	WD
	88275FHG7	9/1/2035	4.700%	\$ 8,525,000.00	Aa1	AA+	WD
				\$ 29,585,000.00			
2004B	88275FNN5	9/1/2034	VAR	\$ 53,000,000.00			
2004C	88275FHM4	3/1/2019	4.300%	\$ 740,000.00	Aa1	AA+	WD
	88275FHN2	9/1/2024	4.500%	\$ 1,295,000.00	Aa1	AA+	WD
	88275FHP7	9/1/2030	4.750%	\$ 1,395,000.00	Aa1	AA+	WD
	88275FHQ5	3/1/2035	5.000%	\$ -	Aa1	AAA	WD
	88275FHR3	3/1/2036	4.800%	\$ 1,670,000.00	Aa1	AA+	WD
				\$ 5,100,000.00			
2004D	88275FNP0	3/1/2035	VAR	\$ 35,000,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2004E	88275FJH3	9/1/2013	4.100%	\$ 140,000.00	Aa1	AA+	WD
	88275FJK6	3/1/2019	4.300%	\$ 305,000.00	Aa1	AA+	WD
				\$ 445,000.00			
2005A	88275FNQ8	9/1/2036	VAR	\$ 57,500,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2005B	88275FKG 3	9/1/2013	4.300%	\$ 200,000.00	Aa1	AA+	WD
	88275FKH 1	3/1/2014	4.400%	\$ 200,000.00	Aa1	AA+	WD
	88275FKJ 7	9/1/2014	4.400%	\$ 200,000.00	Aa1	AA+	WD
	88275FKK 4	3/1/2015	4.550%	\$ 200,000.00	Aa1	AA+	WD
	88275FKL 2	9/1/2015	4.550%	\$ 195,000.00	Aa1	AA+	WD
	88275FKM 0	9/1/2020	4.800%	\$ 2,440,000.00	Aa1	AA+	WD
	88275FKN 8	9/1/2025	4.900%	\$ 2,990,000.00	Aa1	AA+	WD
				\$ 6,425,000.00			
2005D	88275FKQ1	9/1/2035	5.000%	\$ 2,835,000.00	Aa1	AA+	WD
2005C	88275FNR6	9/1/2017	VAR	\$ 3,825,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2006A	88275FKS7	9/1/2037	5.000%	\$ 26,520,000.00	Aa1	AA+	#N/A N/A
2006B	88275FKT5	9/1/2034	5.000%	\$ 28,865,000.00	Aa1	AA+	#N/A N/A
2006C	88275FKU2	9/1/2037	5.125%	\$ 45,100,000.00	Aa1	AA+	#N/A N/A
2006D	88275FKV0	9/1/2021	4.800%	\$ 1,275,000.00	Aa1	AA+	#N/A N/A
	88275FKW8	3/1/2028	4.400%	\$ 3,995,000.00	Aa1	AA+	#N/A N/A
	88275FKX6	9/1/2028	4.950%	\$ 4,240,000.00	Aa1	AA+	#N/A N/A
				\$ 9,510,000.00			

Single Family Indenture					Rating Agencies		
					Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	8/31/2013	rtg moody	rtg sp	rtg fitch
				Ending Bonds Outstanding			
2006E	88275FLE7	9/1/2013	4.050%	\$ 1,545,000.00	Aa1	AA+	#N/A N/A
	88275FLF4	9/1/2014	4.150%	\$ 1,605,000.00	Aa1	AA+	#N/A N/A
	88275FLG2	9/1/2015	4.250%	\$ 1,675,000.00	Aa1	AA+	#N/A N/A
	88275FLH0	9/1/2016	4.300%	\$ 1,755,000.00	Aa1	AA+	#N/A N/A
	88275FLJ6	9/1/2017	4.400%	\$ 1,830,000.00	Aa1	AA+	#N/A N/A
				<b>\$ 8,410,000.00</b>			
2006F	88275FLL1	9/1/2022	4.650%	\$ 1,460,000.00	Aa1	AA+	#N/A N/A
	88275FLM9	9/1/2027	4.800%	\$ 2,750,000.00	Aa1	AA+	#N/A N/A
	88275FLN7	9/1/2032	4.850%	\$ 3,670,000.00	Aa1	AA+	#N/A N/A
	88275FLP2	3/1/2037	5.750%	\$ 5,995,000.00	Aa1	AA+	#N/A N/A
	88275FLQ0	3/1/2038	4.900%	\$ 6,110,000.00	Aa1	AA+	#N/A N/A
				<b>\$ 19,985,000.00</b>			
2006G	88275FMA4	9/1/2013	4.250%	\$ 250,000.00	Aa1	AA+	#N/A N/A
	88275FMB2	9/1/2014	4.300%	\$ 535,000.00	Aa1	AA+	#N/A N/A
	88275FMC0	9/1/2015	4.375%	\$ 580,000.00	Aa1	AA+	#N/A N/A
	88275FMD8	9/1/2016	4.400%	\$ 325,000.00	Aa1	AA+	#N/A N/A
	88275FME6	9/1/2019	4.600%	\$ 935,000.00	Aa1	AA+	#N/A N/A
				<b>\$ 2,625,000.00</b>			
2006H	88275FLK3	9/1/2037	VAR	\$ 36,000,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2007A	88275FMF3	9/1/2038	VAR	\$ 78,700,000.00	Aa1/VMIG1	AA+/A-1+	#N/A N/A
2007B	88275FML0	9/1/2013	4.250%	\$ 915,000.00	Aa1	AA+	#N/A N/A
	88275FMM8	9/1/2014	4.350%	\$ 965,000.00	Aa1	AA+	#N/A N/A
	88275FMN6	9/1/2015	4.550%	\$ 1,010,000.00	Aa1	AA+	#N/A N/A
	88275FMP1	9/1/2016	4.600%	\$ 1,060,000.00	Aa1	AA+	#N/A N/A
	88275FMQ9	9/1/2017	4.700%	\$ 1,105,000.00	Aa1	AA+	#N/A N/A
	88275FMR7	9/1/2022	5.050%	\$ 6,470,000.00	Aa1	AA+	#N/A N/A
	88275FMS5	9/1/2027	5.150%	\$ 8,385,000.00	Aa1	AA+	#N/A N/A
	88275FMT3	9/1/2032	5.250%	\$ 10,905,000.00	Aa1	AA+	#N/A N/A
	88275FMU0	3/1/2039	5.625%	\$ 14,150,000.00	Aa1	AA+	#N/A N/A
	88275FMW6	9/1/2039	5.150%	\$ 25,000,000.00	Aa1	AA+	#N/A N/A
				<b>\$ 9,185,000.00</b>			
				<b>\$ 79,150,000.00</b>			
2013A	88275FNT2	3/1/2036	2.800%	\$ 41,665,000.00	Aa1	AA+	#N/A N/A
<b>Total Bonds Outstanding</b>				<b>\$ 574,100,000.00</b>			
<b>Bonds Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$ -</b>			
<b>Bonds NOT Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$ 574,100,000.00</b>			

RMRB Indenture					Rating Agencies		
					8/31/2013		
					Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2009A	882750JV5	1/1/2014	2.750%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750JW3	7/1/2014	2.800%	\$ 185,000.00	Aaa	AA+	#N/A N/A
	882750JX1	1/1/2015	3.050%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750JY9	7/1/2015	3.100%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750JZ6	1/1/2016	3.375%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750KA9	7/1/2016	3.450%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750KB7	1/1/2017	3.800%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750KC5	7/1/2017	3.800%	\$ 190,000.00	Aaa	AA+	#N/A N/A
	882750KD3	1/1/2018	3.900%	\$ 195,000.00	Aaa	AA+	#N/A N/A
	882750KE1	7/1/2018	3.900%	\$ 195,000.00	Aaa	AA+	#N/A N/A
	882750KF8	1/1/2019	4.000%	\$ 195,000.00	Aaa	AA+	#N/A N/A
	882750KG6	7/1/2019	4.000%	\$ 210,000.00	Aaa	AA+	#N/A N/A
	882750KH4	7/1/2024	4.850%	\$ 2,445,000.00	Aaa	AA+	#N/A N/A
	882750JN3	7/1/2029	5.100%	\$ 7,540,000.00	Aaa	AA+	#N/A N/A
	882750JP8	7/1/2034	5.300%	\$ 6,905,000.00	Aaa	AA+	#N/A N/A
	882750KJ0	1/1/2039	5.375%	\$ 9,425,000.00	Aaa	AA+	#N/A N/A
	882750KK7	7/1/2039	5.450%	\$ 12,175,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 40,800,000.00</b>			
2009B	882750KR2	1/1/2014	3.550%	\$ 320,000.00	Aaa	AA+	#N/A N/A
	882750KS0	7/1/2014	3.600%	\$ 90,000.00	Aaa	AA+	#N/A N/A
	882750KT8	7/1/2016	4.250%	\$ 325,000.00	Aaa	AA+	#N/A N/A
	882750KU5	7/1/2017	4.550%	\$ 20,000.00	Aaa	AA+	#N/A N/A
	882750KV3	1/1/2018	4.700%	\$ 210,000.00	Aaa	AA+	#N/A N/A
	882750KW1	7/1/2018	4.700%	\$ 210,000.00	Aaa	AA+	#N/A N/A
	882750KY7	7/1/2019	4.800%	\$ 6,015,000.00	Aaa	AA+	#N/A N/A
	882750KX9	7/1/2022	5.250%	\$ 5,660,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 12,850,000.00</b>			
2009C-1	882750MA7	7/1/2041	3.570%	<b>\$ 79,370,000.00</b>	Aaa	AA+	#N/A N/A
2011A	882750LE0	1/1/2014	1.800%	\$ 1,095,000.00	Aaa	AA+	#N/A N/A
	882750LF7	7/1/2014	1.900%	\$ 1,115,000.00	Aaa	AA+	#N/A N/A
	882750LG5	1/1/2015	2.350%	\$ 1,125,000.00	Aaa	AA+	#N/A N/A
	882750LH3	7/1/2015	2.450%	\$ 1,135,000.00	Aaa	AA+	#N/A N/A
	882750LJ9	1/1/2016	2.800%	\$ 1,155,000.00	Aaa	AA+	#N/A N/A
	882750LK6	7/1/2016	2.900%	\$ 1,175,000.00	Aaa	AA+	#N/A N/A
	882750LL4	1/1/2017	3.100%	\$ 1,205,000.00	Aaa	AA+	#N/A N/A
	882750LM2	7/1/2017	3.200%	\$ 1,230,000.00	Aaa	AA+	#N/A N/A
	882750LN0	1/1/2008	3.500%	\$ 1,260,000.00	Aaa	AA+	#N/A N/A
	882750LP5	7/1/2018	3.600%	\$ 1,295,000.00	Aaa	AA+	#N/A N/A
	882750LQ3	1/1/2019	3.875%	\$ 1,325,000.00	Aaa	AA+	#N/A N/A
	882750LR1	7/1/2019	3.950%	\$ 1,360,000.00	Aaa	AA+	#N/A N/A
	882750LS9	1/1/2020	4.125%	\$ 1,400,000.00	Aaa	AA+	#N/A N/A
	882750LT7	7/1/2020	4.125%	\$ 1,440,000.00	Aaa	AA+	#N/A N/A
	882750LU4	1/1/2021	4.375%	\$ 1,480,000.00	Aaa	AA+	#N/A N/A
	882750LV2	7/1/2021	4.375%	\$ 1,520,000.00	Aaa	AA+	#N/A N/A
	882750LW0	1/1/2022	4.550%	\$ 1,565,000.00	Aaa	AA+	#N/A N/A
	882750LX8	7/1/2022	4.550%	\$ 1,610,000.00	Aaa	AA+	#N/A N/A
	882750LY6	7/1/2026	5.050%	\$ 13,680,000.00	Aaa	AA+	#N/A N/A
	882750LZ3	7/1/2029	5.000%	\$ 12,115,000.00	Aaa	AA+	#N/A N/A
				<b>\$ 49,285,000.00</b>			
2009C-2	882750NB4	7/1/2041	2.480%	<b>\$ 57,450,000.00</b>	Aaa	AA+	#N/A N/A
2011B	882750ME9	1/1/2014	1.000%	\$ 1,400,000.00	Aaa	AA+	#N/A N/A
	882750MF6	7/1/2014	1.100%	\$ 1,410,000.00	Aaa	AA+	#N/A N/A
	882750MG4	1/1/2015	1.300%	\$ 1,425,000.00	Aaa	AA+	#N/A N/A

RMRB Indenture					Rating Agencies			
					Moody's	Standard & Poor's	Fitch	
Series	CUSIP	Maturity Date	Interest Rate	8/31/2013		rtg moody	rtg sp	rtg fitch
				Ending Bonds	Outstanding			
882750MH2	7/1/2015	1.350%	\$	1,440,000.00		Aaa	AA+	#N/A N/A
882750MJ8	1/1/2016	1.800%	\$	1,450,000.00		Aaa	AA+	#N/A N/A
882750MK5	7/1/2016	1.900%	\$	1,470,000.00		Aaa	AA+	#N/A N/A
882750ML3	1/1/2017	2.150%	\$	1,490,000.00		Aaa	AA+	#N/A N/A
882750MM1	7/1/2017	2.250%	\$	1,510,000.00		Aaa	AA+	#N/A N/A
882750MN9	1/1/2018	2.550%	\$	1,520,000.00		Aaa	AA+	#N/A N/A
882750MP4	7/1/2018	2.600%	\$	1,545,000.00		Aaa	AA+	#N/A N/A
882750MQ2	1/1/2019	2.850%	\$	1,570,000.00		Aaa	AA+	#N/A N/A
882750MR0	7/1/2019	2.900%	\$	1,600,000.00		Aaa	AA+	#N/A N/A
882750MS8	1/1/2020	3.100%	\$	1,630,000.00		Aaa	AA+	#N/A N/A
882750MT6	7/1/2020	3.100%	\$	1,660,000.00		Aaa	AA+	#N/A N/A
882750MU3	1/1/2021	3.300%	\$	1,690,000.00		Aaa	AA+	#N/A N/A
882750MV1	7/1/2021	3.300%	\$	1,720,000.00		Aaa	AA+	#N/A N/A
882750MW9	1/1/2022	3.500%	\$	1,755,000.00		Aaa	AA+	#N/A N/A
882750MX7	7/1/2022	3.500%	\$	1,790,000.00		Aaa	AA+	#N/A N/A
882750MY5	1/1/2026	4.050%	\$	15,980,000.00		Aaa	AA+	#N/A N/A
882750MZ2	1/1/2030	4.450%	\$	14,895,000.00		Aaa	AA+	#N/A N/A
882750NA6	1/1/2034	4.250%	\$	21,775,000.00		Aaa	AA+	#N/A N/A
				<b>\$ 80,725,000.00</b>				
<b>Total Bonds Outstanding</b>				<b>\$</b>	<b>320,480,000.00</b>			
<b>Bonds Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$</b>	<b>320,480,000.00</b>			
<b>NOT Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$</b>	<b>-</b>			

CHMRB					Rating Agencies		
					Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity	Coupon	8/31/2013	rtg moody	rtg sp	rtg fitch
				Ending Bonds Outstanding			
1992 C-1 & 1992 C-2 (Linked)	882749BM5	7/2/2024	6.9	\$ 2,200,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-1 (SAVRS)	882749BP8	7/2/2024	0.068	\$ 1,100,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-2 (RIBS)	882749BN3	7/2/2024	13.447	\$ 1,100,000.00	#N/A N/A	AA+	#N/A N/A
1992 C-2 (Special Linked)	882749BQ6	7/2/2024	6.758		#N/A N/A	AA+	#N/A N/A
1992 C-2 (Special SAVRS)	882749BR6	7/2/2024	#N/A N/A		#N/A N/A	AA+	#N/A N/A
<b>Total Bonds Outstanding</b>				<b>\$ 4,400,000.00</b>			
<b>Bonds Rated in the Highest Category (Aaa OR AAA)</b>							
<b>Bonds NOT Rated in the Highest Category (Aaa OR AAA)</b>				<b>\$ 4,400,000.00</b>			

Multifamily					Rating Agencies		
					Moody's	Standard & Poor's	Fitch
MF Bond Issue	CUSIP	MF Program#	Private or Public	Ending Bonds 8/31/2013 Outstanding	TRG Moody	RTG SP	rtg fitch
1996 A MF Refunding (Brighton's Mark Development)	88275BBK3	0065	Private Place	\$ 8,075,000.00	#N/A N/A	NR	#N/A N/A
1998 MF (Pebble Brook Apartments Project)	88275BCS5	0089	Public Offer	\$ 8,525,000.00	#N/A N/A	AA+	#N/A N/A
1998 A MF (Residence at the Oaks Project)	88275BDA3	0090	Private Place	\$ 4,096,000.00	#N/A N/A	NR	#N/A N/A
1998 B MF (Residence at the Oaks Project)	88275BDB1	0090	Private Place	\$ 2,187,000.00	#N/A N/A	NR	#N/A N/A
1998 C MF (Residence at the Oaks Project)	88275BDB1	0090	Private Place	\$ 75,000.00	#N/A N/A	NR	#N/A N/A
1998 A MF (Greens of Hickory Trail Apartments)	88275BDD7	0092	Public Offer	\$ 10,630,000.00	Aaa	AA+	WD
1999 A MF (Mayfield Apartments)	88275BDG0	0093	Private Place	\$ 6,583,000.00	#N/A N/A	NR	#N/A N/A
1999 B MF (Mayfield Apartments)	88275BDH8	0093	Private Place	\$ 2,368,000.00	#N/A N/A	NR	#N/A N/A
2000 MF (Timber Point Apartments)	88275BDS4	0095	Public Offer	\$ 6,870,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2000 A MF (Oaks at Hampton Apartments)	None	0096	Private Place	\$ 9,197,100.00	Charter Mac Equity Issuer Trust		
2000 MF (Deerwood Pines Apartments)	88275BEQ7	0097	Public Offer	\$ 5,420,000.00	#N/A N/A	AA-	#N/A N/A
2000 MF (Creek Point Apartments)	88275BER5	0098	Public Offer	\$ 5,860,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2000 A MF (Parks at Westmoreland Apartments)	None	0099	Private Place	\$ 9,161,938.00	Charter Mac Equity Issuer Trust		
2000 A MF (Highland Meadow Village Apartments)	88275BEW4	0101	Private Place	\$ 7,697,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Greenbridge at Buckingham Apartments)	88275BFH6	0102	Private Place	\$ 19,474,075.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Collingham Park Apartments)	88275BEZ7	0103	Private Place	\$ 9,421,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 B MF (Collingham Park Apartments)	88275BFA1	0103	Private Place	\$ 2,125,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Williams Run Apartments)	88275BGK8	0104	Private Place	\$ 12,122,023.70	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Bluffview Apartments)	88275BGJ1	0106	Private Place	\$ 10,055,087.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Knollwood Apartments)	88275BGE2	0107	Private Place	\$ 12,921,256.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Skyway Villas Apartments)	88275BFN3	0108	Public Offer	\$ 5,400,000.00	WR	NR	WD
2001 B MF (Skyway Villas Apartments)	88275BFQ6	0108	Private Place	\$ 1,360,000.00	WR	#N/A N/A	#N/A N/A
2001 A-1 MF (Meridian Apartments)	88275ACG3	0111	Public Offer	\$ 7,779,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 B MF (Meridian Apartments)	88275ACH1	0111	Private Place	\$ 391,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A-1 MF (Wildwood Apartments)	88275ACJ7	0112	Public Offer	\$ 6,313,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Fallbrook Apartments)	88275BGB8	0113	Private Place	\$ 11,387,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 B MF (Fallbrook Apartments)	88275BGC6	0113	Private Place	\$ 1,391,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 MF (Oak Hollow Apartments)	88275BGV4	0114	Private Place	\$ 6,093,591.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A MF (Hillside Apartments)	88275BGX0	0115	Private Place	\$ 12,278,089.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 MF (Park Meadows Apartments)	88275BGW2	0119	Private Place	\$ 3,895,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 MF (Clarkridge Villas Apartments)	None	0120	Private Place	\$ 13,207,535.00	Charter Mac Equity Issuer Trust		
2002 MF (Hickory Trace Apartments)	None	0121	Private Place	\$ 10,922,189.00	Charter Mac Equity Issuer Trust		
2002 MF (Green Crest Apartments)	88275BHS0	0122	Public Offer	\$ 10,874,638.00	#N/A N/A	#N/A N/A	#N/A N/A
2002 A MF (Ironwood Crossing)	None	0123	Private Place	\$ 15,000,000.00	Charter Mac Equity Issuer Trust		
2002 B MF (Ironwood Crossing)	None	0123	Private Place	\$ 1,302,364.00	Charter Mac Equity Issuer Trust		
2003 A MF Refunding (Reading Road)	88275BJJ8	0125	Public Offer	\$ 9,150,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2003 B MF Refunding (Reading Road)	88275BJK5	0125	Private Place	\$ 1,770,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (North Vista)	88275BHL5	0126	Public Offer	\$ 9,260,000.00	WR	NR	WD
2003 A MF (North Vista)	88275BHM3	0126	Public Offer	\$ 2,310,000.00	WR	NR	WD
2003 A MF (West Virginia Apartments)	88275BHT8	0127	Public Offer	\$ 6,680,000.00	WR	NR	WD
2003 A MF (West Virginia Apartments)	88275BHU5	0127	Public Offer	\$ 1,675,000.00	WR	NR	WD
2003 A MF (Primrose Houston School Apartments)	88275BJB5	0129	Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 B MF (Primrose Houston School Apartments)	88275BJC3	0129	Private Place	\$ 966,837.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Timber Oaks Apartments)	None	0130	Private Place	\$ 10,900,000.00	Charter Mac Equity Issuer Trust		
2003 B MF (Timber Oaks Apartments)	None	0130	Private Place	\$ 1,769,090.84	Charter Mac Equity Issuer Trust		
2003 A MF (Ash Creek Apartments)	88275BJS8	0131	Private Place	\$ 15,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 B MF (Ash Creek Apartments)	88275BJT6	0131	Private Place	\$ 688,235.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Peninsula Apartments)	88275BJU3	0132	Public Offer	\$ 11,000,000.00	#N/A N/A	AA+	#N/A N/A
2003 A MF (Arlington Villas Apartments)	88275BJX7	0134	Public Offer	\$ 15,000,000.00	WR	#N/A N/A	#N/A N/A
2003 B MF (Arlington Villas Apartments)	88275BJY5	0134	Public Offer	\$ 1,503,842.00	WR	#N/A N/A	#N/A N/A
2003 A MF (Parkview Townhomes Apartments)	None	0135	Private Place	\$ 13,398,423.59	Charter Mac Equity Issuer Trust		
2003 MF (NHP Foundation - Asmara Project)	88275BHG6	0136	Public Offer	\$ 18,675,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2004 A MF (Timber Ridge II Apartments)	88275BJZ2	0137	Private Place	\$ 6,422,306.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 A MF (Century Park Townhomes)	88275BKD9	0138	Public Offer	\$ 9,195,000.00	WR	NR	WD
2004 B MF (Century Park Townhomes)	88275BKC1	0138	Private Place	\$ 2,305,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 A MF (Providence at Veterans Memorial Townhomes)	None	0140	Private Place	\$ 6,808,107.90	Charter Mac Equity Issuer Trust		
2004 MF (Providence at Rush Creek II)	88275BKH0	0141	Private Place	\$ 8,471,064.01	#N/A N/A	NR	#N/A N/A
2004 MF (Humble Parkway Townhomes)	88275BKJ6	0142	Public Offer	\$ 10,905,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Chisholm Trail Apartments)	88275BKR8	0143	Public Offer	\$ 11,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Evergreen at Plano Parkway)	88275BKX5	0144	Private Place	\$ 14,171,080.00	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Montgomery Pines Apartments)	88275BKU1	0145	Public Offer	\$ 11,500,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Bristol Apartments)	88275BKT4	0146	Public Offer	\$ 11,700,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Pinnacle Apartments)	88275BKV9	0147	Public Offer	\$ 13,665,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Tranquility Bay Apartments)	88275BKY3	0148	Private Place	\$ 13,653,985.66	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Churchill at Pinnacle Park)	88275BKZ0	0150	Private Place	\$ 9,617,397.93	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Providence at Village Fair)	None	0152	Private Place	\$ 13,483,789.01	Charter Mac Equity Issuer Trust		
2005 MF (Homes at Pecan Grove)	88275BLW6	0153	Public Offer	\$ 13,445,385.00	#N/A N/A	#N/A N/A	#N/A N/A
2005 MF (Providence at Prairie Oaks)	None	0154	Private Place	\$ 10,574,500.00	Charter Mac Equity Issuer Trust		
2005 MF (Port Royal Homes)	None	0155	Private Place	\$ 11,683,153.00	Charter Mac Equity Issuer Trust		
2005 MF (Mission Del Rio Homes)	88275BLK2	0156	Private Place	\$ 11,033,514.00	#N/A N/A	#N/A N/A	#N/A N/A
2005 MF (Atascocita Pines Apartments)	88275BLV8	0157	Public Offer	\$ 11,190,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2005 MF (Tower Ridge Apartments)	88275BLX4	0158	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2005 MF (Prairie Ranch Apartments)	88275BMC9	0161	Public Offer	\$ 11,410,000.00	A1	#N/A N/A	#N/A N/A
2005 MF (St. Augustine Estate Apartments)	88275BME5	0162	Public Offer	\$ 6,180,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2005 MF (Park Manor Senior Community)	88275BMD7	0163	Private Place	\$ 10,400,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2005 MF (Providence Mockingbird Apartments)	None	0164	Private Place	\$ 10,924,900.28	Charter Mac Equity Issuer Trust		
2005 MF (Plaza at Chase Oaks Apartments)	None	0165	Private Place	\$ 12,845,088.00	Washington Mutual Bank		
2005 MF (Coral Hills Apartments)	88275BMP0	0167	Public Offer	\$ 4,665,000.00	#N/A N/A	AA+	#N/A N/A
2006 MF (Harris Branch Apartments)	88275BMZ8	0168	Public Offer	\$ 13,990,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2006 MF (Bella Vista Apartments)	88275BNB0	0169	Private Place	\$ 6,545,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (Village Park Apartments)	88275BNC8	0170	Public Offer	\$ 9,940,000.00	#N/A N/A	AA+	#N/A N/A
2006 MF (Oakmoor Apartments)	88275BNA2	0171	Private Place	\$ 14,006,670.00	#N/A N/A	#N/A N/A	#N/A N/A

Multifamily					Rating Agencies		
					Moody's	Standard & Poor's	Fitch
				8/31/2013			
2006 MF (The Residences at Sunset Pointe)	88275AAA8	0172	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2006 MF (Hillcrest Apartments)	88275AAE0	0173	Public Offer	\$ 10,530,000.00	#N/A N/A	NR	#N/A N/A
2006 MF (Pleasant Village)	None	0174	Private Place	\$ 5,583,009.00	US Bank		
2006 Multi-Family (Grove Village)	None	0175	Private Place	\$ 5,750,499.00	US Bank		
2006 MF (Red Hills Villas) Refunding	88275AAK6	0176	Public Offer	\$ 4,715,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2006 MF (Champions Crossing Apartments)	88275AAJ9	0177	Public Offer	\$ 4,675,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2006 MF (Stonehaven Apartments)	None	0178	Private Place	\$ 9,957,670.23	Washington Mutual Bank		
2006 MF (Meadowlands Apartments)	88275AAH3	0180	Private Place	\$ 12,064,971.62	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (East Tex Pines)	88275AAP5	0181	Private Place	\$ 13,220,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (Villas at Henderson)	88275AAV2	0182	Public Offer	\$ 6,825,000.00	#N/A N/A	A/A-1	#N/A N/A
2006 MF (Aspen Park)	88275AAR1	0183	Public Place	\$ 9,345,000.00	#N/A N/A	AA+	#N/A N/A
2006 MF (Idlewilde)	88275AAY6	0184	Public Offer	\$ 13,725,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Lancaster)	88275ABA79	0185	Public Offer	\$ 13,710,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Park Place at Loyola)	88275ABB5	0186	Private Place	\$ 14,065,477.78	#N/A N/A	#N/A N/A	#N/A N/A
2007 MF (Terraces at Cibolo)	88275ABC3	0187	Public Place	\$ 5,000,000.00	#N/A N/A	A/A-1	#N/A N/A
2007 MF (Santora Villas)	88275ABD1	0188	Private Place	\$ 11,944,991.81	#N/A N/A	#N/A N/A	#N/A N/A
2007 MF (Villas @ Mesquite)	88275ABH2	0189	Public Offer	\$ 16,155,000.00	Aa1	#N/A N/A	#N/A N/A
2007 MF (Summit Point)	88275ABJB	0190	Public Offer	\$ 9,170,000.00	#N/A N/A	AA+	#N/A N/A
2007 MF (Costa Rialto)	None	0191	Private Place	\$ 10,470,864.00	Centerline Equity Issuer Trust		
2007 MF (Windshire)	88275ABN9	0192	Public Offer	\$ 13,600,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Residences @ Onion Creek)	88275ABX7	0193	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2008 MF (West Oaks Apartments)	88275ABY5	0194	Public Offer	\$ 12,525,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2008 MF (Costa Ibiza Apartments )	88275ACD0	0195	Public Offer	\$ 13,320,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2008 MF (Addison Park Apartments )	88275ACE8	0196	Public Offer	\$ 13,205,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2008 MF (Alta Cullen Refunding)	88275ACF5	0197	Public Offer	\$ 12,400,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2009 MF (Costa Mariposa)	88275ACK4	0198	Public Offer	\$ 13,580,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2009 MF (Woodmont)	88275ACL2	0199	Public Offer	\$ 14,880,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
				\$ 1,012,352,738.36			
Bonds Rated in the Highest Category (Aaa OR AAA)				\$ 197,925,000.00			
Bonds NOT Rated in the Highest Category (Aaa OR AAA)				\$ 814,427,738.36			

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## TDHCA Outreach Activities, October 2013

*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>
Consolidated Public Hearing for One Year Action Plan, Qualified Allocation Plan	Austin	Oct 1	Asset Management, Housing Resource Center, HOME, Multifamily Finance, Program Services	Public Hearing
Historically Underutilized Business Forum	Houston	Oct 2	Financial Administration	Participant
State Independent Living Council Meeting	Corpus Christi	Oct 2-4	Housing Resource Center	Participant
First Thursday Income Eligibility Training	Austin	Oct 4	Compliance	Training
Housing and Health Services Coordination Council Meeting	Austin	Oct 9	Housing Resource Center	Participant
Housing Subcommittee of the Promoting Independence Advisory Committee	Austin	Oct 10	Housing Resource Center	Participant
2013 Texas Municipal League Conference	Austin	Oct 9-11	HOME, Housing Resource Center, Public Affairs	Exhibitor
Austin Board of Realtor's Realty Round Up	Austin	Oct 16	Homeownership	Exhibitor
Lender Training/Academy Mortgage	Houston	Oct 17	Homeownership	Training
HOME SF Program Rule & Energy Efficiency Rule Roundtable	McKinney	Oct 17	HOME	Roundtable Hearing
Promoting Independence Advisory Committee Meeting	Austin	Oct 17	Housing Resource Center	Participant
Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders Meeting	Austin	Oct 18	Housing Resource Center	Participant
HOME SF Program Rule & Energy Efficiency Rule Roundtable	San Antonio	Oct 23	HOME	Roundtable Hearing
Texas Association of Local Housing Finance Agencies Conference	Houston	Oct 23	Homeownership	Panelist, Participant
Interagency Coordinating Group	Austin	Oct 23	Housing Resource Center	Participant
Texas Association of Local Housing Finance Agencies Conference	Houston	Oct 23-25	Multifamily Finance	Presentation
Multifamily HOME Training Webinar	Austin	Oct 25	Multifamily Finance	Training
Assoc of Rural Communities in Texas Meeting	Caldwell	Oct 25	Policy & Public Affairs	Panelist, Participant
Homebuying Expo/HUD Approved Counseling Agencies	Dallas	Oct 26	Homeownership	Panelist, Participant
HOME SF Program Rule & Energy Efficiency Rule Roundtable	Austin	Oct 30	HOME	Roundtable Hearing
United Texas – Housing Initiatives That Work	New Braunfels	Oct 30	Homeownership	Training

## Internet Postings of Note, October 2013

*A list of new or noteworthy documents posted to the Department's Web site*

**Housing Tax Credit Applicable Percentages and Calculation of Underwriting Rates** — *used to determine the allocation amount of the credits, as defined in Section 42(b) of the Internal Revenue Code:*

[www.tdhca.state.tx.us/rea/index.htm#tools](http://www.tdhca.state.tx.us/rea/index.htm#tools)

**2013 Carryover Package and Manual** — *relating to documentation required for developments receiving a 2013 Competitive Housing Tax Credit Commitment Notice:*

[www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm](http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm)

**2013 Weatherization Assistance Program Subrecipient Contact List** — *detailing updated information regarding agency names, key contacts, phone numbers, and counties served for local WAP service providers:*

[www.tdhca.state.tx.us/community-affairs/wap/index.htm](http://www.tdhca.state.tx.us/community-affairs/wap/index.htm)

**2013 Comprehensive Energy Assistance Program Subrecipient Contact List** — *detailing updated information regarding agency names, key contacts, phone numbers, and counties served for local CEAP service providers:*

[www.tdhca.state.tx.us/community-affairs/ceap/index.htm](http://www.tdhca.state.tx.us/community-affairs/ceap/index.htm)

**2013 Community Services Block Grant Program Subrecipient Contact List** — *detailing updated information regarding agency names, key contacts, phone numbers, and counties served for local CSBG service providers:*

[www.tdhca.state.tx.us/community-affairs/csbg/index.htm](http://www.tdhca.state.tx.us/community-affairs/csbg/index.htm)

**2013-1 HOME Multifamily Development: Notice of Funding Availability** — *announcing funding available through the Department's HOME Program for the development of affordable multifamily rental housing:*

[www.tdhca.state.tx.us/nofa.htm](http://www.tdhca.state.tx.us/nofa.htm)

**Upcoming Board Meeting Underwriting Reports** — *relating to new Web page dedicated specifically to Real Estate Analysis underwriting reports in support of funding decisions to be heard at future Board meetings:*

[www.tdhca.state.tx.us/rea/index.htm](http://www.tdhca.state.tx.us/rea/index.htm)

**Request for Extension of 2013 Community Services Block Grant Program Contracts** — *relating to CSBG entities that do not expect to expend 100% of their 2013 contract funds by December 31, 2013:*

[www.tdhca.state.tx.us/community-affairs/announcements.htm](http://www.tdhca.state.tx.us/community-affairs/announcements.htm)

**2014-2015 Amy Young Barrier Removal Program (Reservation System)** — *providing access to forms with respect to the administration, eligibility, inspection, and related activities under the AYBR Program:*

[www.tdhca.state.tx.us/htf/forms/index.htm](http://www.tdhca.state.tx.us/htf/forms/index.htm)

**2014-2015 Texas Bootstrap Loan Program: Notice of Funding Availability** — *announcing funding available through the Department's Housing Trust Fund for Owner-Builder applications assisting clients through self-help construction activities:*

[www.tdhca.state.tx.us/oci/bootstrap.jsp](http://www.tdhca.state.tx.us/oci/bootstrap.jsp)

**Texas Bootstrap Loan Program Nonprofit Owner-Builder Housing Providers** — *detailing updated information regarding agency names, phone numbers, and locations of local Bootstrap service providers:*

[www.tdhca.state.tx.us/oci/bootstrap.jsp](http://www.tdhca.state.tx.us/oci/bootstrap.jsp)

R2

**BOARD REPORT ITEM  
HOME SINGLE FAMILY DIVISION  
NOVEMBER 7, 2013**

Status Report on the HOME Program Single Family Contracts and Reservation System Participants through October 2013, Calendar Year YTD

Activity Type	<u>Funded/Awarded for October</u>		<u>Funded/Awarded for Year</u>		<u>Setups for October</u>		<u>Setups for Year</u>		<u>Draws for October</u>		<u>Draws for Year</u>	
	RSP	Contracts	RSP	Contracts	Amount	Number	Amount	Number	Amount	Number	Amount	Number
CFD	\$119,408	\$0	\$751,031	\$1,036,656	\$119,408	1	\$751,031	6	\$118,830	10	\$448,979	32
CHDO Operating	\$0	\$0	\$0	\$50,000	\$0	0	\$0	0	\$25,000	1	\$87,494	5
Dev SF	\$0	\$0	\$210,000	\$0	\$0	0	\$770,975	8	\$0	0	\$466,525	31
HBA/Rehab	\$216,059	\$0	\$2,280,354	\$0	\$216,059	11	\$2,382,854	130	\$162,209	16	\$2,384,333	201
HRA	\$3,315,164	\$0	\$19,635,072	\$0	\$3,583,425	41	\$27,364,533	320	\$2,344,653	104	\$24,359,499	1,177
TBRA	\$961,322	\$0	\$4,916,539	\$0	\$1,040,644	84	\$5,146,337	483	\$390,737	504	\$3,679,563	5,019
<b>Sub Totals:</b>	\$4,611,953	\$0	\$27,792,997	\$1,086,656	\$4,959,536	137	\$36,415,731	947	\$3,041,429	635	\$31,426,393	6,465
<b>Totals:</b>	\$4,611,953		\$28,879,653									

**CFD - Contract For Deed**

**CHDO - Community Housing Development Organization**

**HRA - Homeowner Rehabilitation**

**HBA/Rehab - Homebuyer Assistance with Rehab**

**RSP - Reservation System Participant**

**TBRA - Tenant Based Rental Assistance**

R3

**BOARD REPORT ITEM**

**FINANCIAL ADMINISTRATION DIVISION**

**NOVEMBER 7, 2013**

Report on the Department's 4<sup>th</sup> Quarter Investment Report in accordance with the Public Funds Investment Act ("PFIA")

**BACKGROUND**

The Department's investment portfolio consists of two distinct parts. One part is related to bond funds under trust indentures which are not subject to the Public Funds Investment Act ("PFIA"), and the remaining portion is related to accounts excluded from the indentures but covered by the PFIA. The Department's total investment portfolio is \$1,072,836,495 of which \$1,043,226,894 is not subject to the PFIA. This report addresses the remaining \$29,609,601 (See Page 1 of the Internal Management Report) in investments covered by the PFIA. These investments are deposited in the General Fund, Housing Trust Fund, Compliance, and Housing Initiative accounts which are all held at the Texas Treasury Safekeeping Trust Company ("TTSTC"), primarily in the form of overnight repurchase agreements for U.S. Government Securities. A repurchase agreement is the purchase of a security with an agreement to repurchase that security at a specific price and date which in this case was August 30, 2013, at an interest rate of 0.02%. The overall objective of these investments is to safeguard principal while maintaining liquidity.

**Below is a description of each fund group and its corresponding accounts.**

- The **General Fund** accounts maintain funds for administrative purposes to fund expenses related to the Department's ongoing operations. These accounts contain balances related to bond residuals, fee income generated from the Mortgage Credit Certificate program ("MCC"), escrow funds, single family and multifamily bond administration fees, and balances associated with the Below Market Interest Rate Program ("BMIR").
- The **Housing Trust Fund** accounts maintain funds related to programs set forth by the Housing Trust Fund funding plan. The Housing Trust Fund provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe affordable housing.
- The **Compliance** accounts maintain funds from compliance fees and asset management fees collected from multifamily developers. The number of low income units and authority to collect these fees is outlined in the individual Land Use Restriction Agreements ("LURAs") that are issued to each Developer. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the monitoring and administration of these properties.
- The **Housing Initiative** accounts maintain funds from fees collected from Developers in connection with the Department's Tax Credit Program. The majority of fees collected are

application fees and commitment fees. The authority for the collection of these fees is outlined in the Department's Qualified Allocation Plan ("QAP"). These fees are generated for the purpose of offsetting expenses incurred by the Department related to the administration of the Tax Credit Program.

This report is in the prescribed format and detail required by the Public Funds Investment Act. It shows in detail the types of investments, their maturities, their carrying (face amount) values, and fair values at the beginning and end of the quarter. The detail for investment activity is on Pages 2 thru 4.

During the 4<sup>th</sup> Quarter, as it relates to the investments covered by the PFIA, the carrying value decreased by \$2.6 million (See Page 1) for a total of \$29,609,601. The decrease is described below by fund groups.

**General Fund:** The General Fund decreased by \$1.7 million. Income of \$662,000 included bond administration fees and MCC fees. Disbursements included \$1.4 million transferred to fund the operating budget, \$90,000 in bond maintenance fees and a \$433,000 repayment to the U.S. Department of Housing and Urban Development. In addition, grant disbursements included \$340,000 in the Homeless Housing and Services Program ("HHSP").

**Housing Trust Fund:** The Housing Trust Fund decreased \$1.0 million. The Housing Trust Fund had \$1.0 million in loan repayments. Disbursements included \$2.2 million for loans and grants.

**Compliance:** Compliance increased \$157,000. Compliance had approximately \$1.2 million in income related to compliance fees. Disbursements included \$1.1 million transferred to fund the operating budget.

**Housing Initiative:** Housing Initiative decreased \$1,000. Housing Initiative had \$426,000 in fees related to the tax credit activities. Disbursements included \$427,000 transferred to fund the operating budget.

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

**PUBLIC FUNDS INVESTMENT ACT  
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)  
QUARTER ENDING AUGUST 31, 2013**




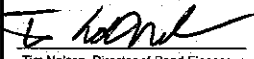
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Internal Management Report (Sec. 2256.023)  
Quarter Ending August 31, 2013

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

NON-INDENTURE RELATED:	Investment Type	FAIR VALUE (MARKET) @ 5/31/13	CARRYING VALUE @ 5/31/13	CARRYING VALUE @ 8/31/13	FAIR VALUE (MARKET) @ 8/31/13	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT REC'BL @ 8/31/13	RECOGNIZED GAIN
General Fund	Mortgage Backed Securities	2,941,200.17	2,771,904.97	2,457,480.75	2,600,540.07	(26,215.88)	15,555.17	0.00
General Fund	Repurchase Agreement	7,020,640.37	7,020,640.37	5,593,168.75	5,593,168.75	-	6.20	0.00
Housing Trust Fund	Repurchase Agreement	8,025,627.05	8,025,627.05	7,013,738.08	7,013,738.08	-	8.03	0.00
Compliance	Repurchase Agreement	7,968,773.82	7,968,773.82	8,125,439.31	8,125,439.31	-	9.02	0.00
Housing Initiatives	Repurchase Agreement	6,420,727.96	6,420,727.96	6,419,794.37	6,419,794.37	-	7.33	0.00
<b>TOTAL</b>		<b>32,376,969.37</b>	<b>32,207,674.17</b>	<b>29,609,601.26</b>	<b>29,752,680.58</b>	<b>(26,215.88)</b>	<b>15,585.75</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.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:  
Tim Nelson completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 10, 2012  
David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 16, 2013

 David Cervantes, Chief Financial Officer	Date: 10/16/13
 Tim Nelson, Director of Bond Finance	Date: 10/17/13

**Texas Department of Housing and Community Affairs  
Non-Indenture Related Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	General Fund	7.50	08/31/89	07/20/18	125,822.51	136,626.89			(17,922.63)		107,899.88	116,899.81	(1,804.45)	0.00
GNMA	General Fund	7.50	10/31/89	09/20/18	210,696.04	228,129.03			(13,408.22)		197,287.82	212,966.28	(1,754.53)	0.00
GNMA	General Fund	7.50	01/01/90	11/20/18	107,170.67	116,259.81			(5,793.19)		101,377.48	109,650.90	(815.72)	0.00
GNMA	General Fund	7.50	01/01/90	12/20/18	87,172.58	95,103.54			(3,708.88)		83,463.70	90,792.65	(602.01)	0.00
GNMA	General Fund	7.50	02/27/90	12/20/18	9,360.17	9,385.35			(362.43)		8,997.74	9,030.94	8.02	0.00
GNMA	General Fund	7.50	03/30/90	01/20/19	102,405.48	111,722.33			(4,455.66)		97,949.82	106,540.02	(726.65)	0.00
GNMA	General Fund	7.50	04/26/90	03/20/19	97,850.13	106,752.53			(21,500.84)		76,349.29	83,053.52	(2,198.17)	0.00
GNMA	General Fund	7.50	05/29/90	04/20/19	103,820.19	112,952.21			(4,797.31)		99,022.88	107,421.01	(733.89)	0.00
GNMA	General Fund	8.19	07/25/90	06/20/15	11,890.93	12,047.41			(3,060.73)		8,830.20	8,959.03	(27.65)	0.00
GNMA	General Fund	8.75	10/31/89	09/20/18	17,539.68	17,602.82			(673.99)		16,865.69	16,943.44	14.61	0.00
GNMA	General Fund	7.50	11/30/89	10/20/18	238,981.57	259,600.90			(11,897.41)		227,084.16	245,907.17	(1,796.32)	0.00
GNMA	General Fund	8.75	11/30/89	09/20/18	16,616.96	16,676.78			(635.26)		15,981.70	16,055.38	13.86	0.00
GNMA	General Fund	8.75	01/01/90	11/20/18	52,695.33	58,698.38			(2,185.09)		50,510.24	56,054.24	(459.05)	0.00
GNMA	General Fund	8.75	05/29/90	02/20/19	9,385.70	9,419.49			(344.53)		9,041.17	9,082.85	7.89	0.00
GNMA	General Fund	8.75	04/26/90	03/20/19	69,457.81	77,457.27			(2,766.35)		66,691.46	74,024.85	(666.07)	0.00
GNMA	General Fund	8.75	06/28/90	04/20/19	6,425.72	6,447.70			(662.81)		5,762.91	5,788.27	3.38	0.00
GNMA	General Fund	7.19	01/22/90	11/20/14	25,846.09	26,569.01			(4,458.03)		21,388.06	21,863.30	(247.68)	0.00
GNMA	General Fund	7.19	01/01/90	11/20/14	5,005.31	5,145.31			(795.10)		4,210.21	4,303.76	(46.45)	0.00
GNMA	General Fund	7.19	01/01/90	12/20/14	8,163.09	8,391.41			(1,522.01)		6,641.08	6,788.64	(80.76)	0.00
GNMA	General Fund	8.19	02/28/90	12/20/14	6,707.71	6,726.56			(3,172.14)		3,535.57	3,547.66	(6.76)	0.00
GNMA	General Fund	7.19	01/20/90	01/20/15	27,583.16	29,001.49			(5,581.52)		22,001.64	23,019.22	(400.75)	0.00
GNMA	General Fund	8.19	01/01/90	01/20/15	21,686.23	21,968.58			(4,250.96)		17,435.27	17,654.26	(63.36)	0.00
GNMA	General Fund	7.19	02/27/90	01/20/15	16,702.15	17,560.97			(2,884.70)		13,817.45	14,456.51	(219.76)	0.00
GNMA	General Fund	8.19	02/27/90	12/20/14	8,073.08	8,175.61			(1,648.95)		6,424.13	6,505.97	(20.69)	0.00
GNMA	General Fund	7.19	02/27/90	01/20/15	23,761.28	24,983.09			(4,271.25)		19,490.03	20,391.44	(320.40)	0.00
GNMA	General Fund	8.19	02/27/90	01/20/15	22,856.34	23,170.61			(3,800.07)		19,056.27	19,311.62	(58.92)	0.00
GNMA	General Fund	7.19	03/30/90	01/20/15	10,088.01	10,606.74			(1,551.09)		8,536.92	8,931.75	(123.90)	0.00
GNMA	General Fund	8.19	03/30/90	01/20/15	17,137.69	17,381.56			(2,677.70)		14,459.99	14,664.74	(39.12)	0.00
GNMA	General Fund	7.19	03/30/90	02/20/15	5,267.15	5,537.99			(827.12)		4,440.03	4,645.38	(65.49)	0.00
GNMA	General Fund	8.19	03/30/90	02/20/15	25,838.95	26,201.73			(4,008.13)		21,830.82	22,127.72	(65.88)	0.00
GNMA	General Fund	7.19	04/26/90	03/20/15	24,716.55	25,987.48			(4,784.25)		19,932.30	20,854.17	(349.06)	0.00
GNMA	General Fund	8.19	04/26/90	03/20/15	14,479.88	14,663.48			(3,486.42)		10,993.46	11,144.07	(32.99)	0.00
GNMA	General Fund	7.19	04/26/90	03/20/15	7,984.96	8,395.55			(1,953.80)		6,031.16	6,310.10	(131.65)	0.00
GNMA	General Fund	8.19	04/26/90	03/20/15	61,765.38	64,092.70			(11,455.78)		50,309.60	51,942.15	(694.77)	0.00
GNMA	General Fund	7.19	05/29/90	04/20/15	9,726.23	10,226.35			(1,516.58)		8,209.65	8,589.35	(120.42)	0.00
GNMA	General Fund	8.19	05/29/90	03/20/15	8,950.15	8,976.02			(1,333.08)		7,617.07	7,646.17	3.23	0.00
GNMA	General Fund	7.19	05/29/90	04/20/15	18,026.61	18,953.54			(3,523.78)		14,502.83	15,173.59	(256.17)	0.00
GNMA	General Fund	8.19	05/29/90	04/20/15	80,227.46	83,250.43			(21,025.01)		59,202.45	61,249.08	(976.34)	0.00
GNMA	General Fund	7.19	06/28/90	05/20/15	6,322.41	6,647.51			(890.34)		5,432.07	5,683.30	(73.87)	0.00
GNMA	General Fund	8.19	06/28/90	05/20/15	12,106.33	12,273.28			(2,900.53)		9,205.80	9,331.37	(41.38)	0.00
GNMA	General Fund	7.19	06/28/90	05/20/15	11,109.34	11,680.58			(6,166.68)		4,942.66	5,171.26	(342.64)	0.00
GNMA	General Fund	8.19	06/28/90	05/20/15	41,487.85	43,140.73			(5,317.97)		36,169.88	37,229.30	(593.46)	0.00
GNMA	General Fund	6.19	06/28/90	05/20/15	10,428.02	10,770.06			(1,316.07)		9,111.95	9,326.72	(127.27)	0.00
GNMA	General Fund	7.19	07/25/90	06/20/15	4,378.27	4,603.40			(1,537.97)		2,840.30	2,971.66	(93.77)	0.00
GNMA	General Fund	7.19	09/13/90	06/20/15	7,401.07	7,781.63			(1,134.51)		6,266.56	6,556.39	(90.73)	0.00
GNMA	General Fund	8.19	09/13/90	07/20/15	18,435.79	18,707.90			(2,831.24)		15,604.55	15,835.81	(40.85)	0.00
GNMA	General Fund	7.19	09/13/90	07/20/15	13,232.90	13,913.34			(2,286.95)		10,945.95	11,452.20	(174.19)	0.00
GNMA	General Fund	8.19	09/13/90	08/20/15	24,301.26	24,661.89			(3,177.33)		21,123.93	21,435.30	(49.26)	0.00
GNMA	General Fund	6.19	09/13/90	07/20/15	11,714.88	12,099.13			(1,380.35)		10,334.53	10,578.11	(140.67)	0.00
GNMA	General Fund	8.19	09/28/90	08/20/15	18,053.65	18,307.66			(3,226.12)		14,827.53	15,050.98	(30.56)	0.00
GNMA	General Fund	6.19	09/28/90	08/20/15	26,909.43	27,792.06			(3,218.48)		23,690.95	24,249.35	(324.23)	0.00
GNMA	General Fund	7.19	09/28/90	08/20/15	23,906.39	25,135.66			(2,844.85)		21,061.54	22,035.64	(255.17)	0.00
GNMA	General Fund	8.19	09/28/90	08/20/15	42,812.44	44,557.05			(5,967.25)		36,845.19	37,966.39	(623.41)	0.00
GNMA	General Fund	7.50	10/31/90	07/20/19	21,642.00	21,700.65			(687.27)		20,954.73	21,032.47	19.09	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	General Fund	7.19	10/31/90	08/20/15	2,785.71	2,928.95			(298.66)		2,487.05	2,602.08	(28.21)	0.00
GNMA	General Fund	8.19	10/31/90	09/20/15	21,016.98	21,328.24			(2,445.31)		18,571.67	18,850.43	(32.50)	0.00
GNMA	General Fund	6.19	10/31/90	09/20/15	20,967.81	21,891.44			(8,822.54)		12,145.27	12,568.17	(500.73)	0.00
GNMA	General Fund	8.19	10/31/90	09/20/15	46,196.88	48,341.34			(6,176.05)		40,020.83	41,558.83	(606.46)	0.00
GNMA	General Fund	6.19	11/28/90	10/20/15	29,385.16	30,679.58			(3,171.54)		26,213.62	27,126.38	(381.66)	0.00
GNMA	General Fund	8.19	11/28/90	10/20/15	50,069.65	52,634.22			(5,591.95)		44,477.70	46,386.24	(656.03)	0.00
GNMA	General Fund	7.50	12/21/90	08/20/19	15,409.47	15,451.08			(498.70)		14,910.77	14,966.09	13.71	0.00
GNMA	General Fund	7.19	12/21/90	10/20/15	17,119.74	18,000.04			(1,681.08)		15,438.66	16,152.70	(166.26)	0.00
GNMA	General Fund	8.19	12/21/90	11/20/15	22,817.46	23,164.06			(2,550.88)		20,266.58	20,576.46	(36.72)	0.00
GNMA	General Fund	8.19	02/25/91	10/20/15	6,565.04	6,584.80			(696.85)		5,868.19	5,891.55	3.60	0.00
GNMA	General Fund	6.19	01/25/91	11/20/15	24,376.40	25,450.18			(2,531.45)		21,844.95	22,605.59	(313.14)	0.00
GNMA	General Fund	8.19	01/28/91	11/20/15	6,849.29	6,866.89			(1,740.00)		5,109.29	5,126.20	(0.69)	0.00
GNMA	General Fund	8.19	02/25/90	01/20/16	13,979.51	14,197.87			(1,516.71)		12,462.80	12,662.58	(18.58)	0.00
GNMA	General Fund	7.50	03/28/91	11/20/19	11,136.54	11,166.61			(366.87)		10,769.67	10,809.63	9.89	0.00
GNMA	General Fund	8.19	03/28/91	02/20/16	18,207.92	18,504.34			(1,713.11)		16,494.81	16,771.59	(19.64)	0.00
GNMA	General Fund	8.75	04/29/91	02/20/20	40,441.35	41,635.58			(1,330.64)		39,110.71	40,240.62	(64.32)	0.00
GNMA	General Fund	8.19	04/29/91	04/20/16	28,728.55	29,185.62			(3,365.33)		25,363.22	25,766.24	(54.05)	0.00
GNMA	General Fund	7.19	04/29/91	02/20/16	59,783.69	64,092.30			(5,817.67)		53,966.02	57,590.92	(683.71)	0.00
GNMA	General Fund	6.19	04/29/91	04/20/16	48,434.52	50,568.06			(10,961.26)		37,473.26	38,778.08	(828.72)	0.00
GNMA	General Fund	7.19	04/26/91	04/20/16	10,586.82	11,349.81			(1,785.91)		8,800.91	9,392.07	(171.83)	0.00
GNMA	General Fund	8.75	04/26/91	01/20/20	48,608.55	54,689.97			(1,427.00)		47,181.55	52,629.13	(633.84)	0.00
GNMA	General Fund	6.19	10/23/92	09/20/17	67,624.13	71,405.67			(5,636.92)		61,987.21	64,881.39	(887.36)	0.00
GNMA	General Fund	8.19	11/23/92	01/20/17	5,543.20	5,559.89			(596.81)		4,946.39	4,966.08	3.00	0.00
GNMA	General Fund	7.19	10/30/92	08/20/17	86,539.17	94,357.98			(10,700.10)		75,839.07	82,289.94	(1,367.94)	0.00
GNMA	General Fund	6.00	10/30/92	09/20/17	56,604.47	56,544.47			(3,434.17)		53,170.30	53,153.82	43.52	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	1,543,218.91	1,543,218.91	3,306.64				1,546,525.55	1,546,525.55	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	446,215.32	446,215.32		(433,718.35)			12,496.97	12,496.97	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	387,824.36	387,824.36		(97,799.92)			290,024.44	290,024.44	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	129,820.83	129,820.83		(62,786.22)			67,034.61	67,034.61	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	1,489,496.98	1,489,496.98		(422,866.68)			1,066,630.30	1,066,630.30	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	2,460,206.14	2,460,206.14		(1,052,479.23)			1,407,726.91	1,407,726.91	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	283,301.52	283,301.52	14.16				283,315.68	283,315.68	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	158,204.78	158,204.78	87,245.81				245,450.59	245,450.59	-	0.00
Repo Agmt	General Fund	0.02	08/30/13	09/03/13	122,351.53	122,351.53	551,612.17				673,963.70	673,963.70	-	0.00
<b>General Fund Total</b>					<b>9,792,545.34</b>	<b>9,961,840.54</b>	<b>642,178.78</b>	<b>(2,069,650.40)</b>	<b>(314,444.22)</b>	<b>0.00</b>	<b>8,050,629.50</b>	<b>8,193,708.82</b>	<b>(26,215.88)</b>	<b>0.00</b>
Repo Agmt	Housing Trust Fund	0.02	08/30/13	09/03/13	561,732.09	561,732.09		(523,607.72)			38,124.37	38,124.37	-	0.00
Repo Agmt	Housing Trust Fund	0.02	08/30/13	09/03/13	4,325.73	4,325.73	144.37				4,470.10	4,470.10	-	0.00
Repo Agmt	Housing Trust Fund				97,267.44	97,267.44		(97,267.44)			-	-	-	0.00
Repo Agmt	Housing Trust Fund	0.02	08/30/13	09/03/13	57,373.29	57,373.29	55,111.12				112,484.41	112,484.41	-	0.00
Repo Agmt	Housing Trust Fund	0.02	08/30/13	09/03/13	503,880.41	503,880.41		(155,064.77)			348,815.64	348,815.64	-	0.00
Repo Agmt	Housing Trust Fund	0.02	08/30/13	09/03/13	2,616,097.75	2,616,097.75		(549,717.30)			2,066,380.45	2,066,380.45	-	0.00
Repo Agmt	Housing Trust Fund				50,000.00	50,000.00		(50,000.00)			-	-	-	0.00
Repo Agmt	Housing Trust Fund				83,384.59	83,384.59		(83,384.59)			-	-	-	0.00
Repo Agmt	General Revenue Appn	0.02	08/30/13	09/03/13	175.34	175.34	97,224.15				97,399.49	97,399.49	-	0.00
Repo Agmt	General Revenue Appn	0.02	08/30/13	09/03/13	225,498.16	225,498.16		(85,316.64)			140,181.52	140,181.52	-	0.00
Repo Agmt	General Revenue Appn	0.02	08/30/13	09/03/13	923,755.15	923,755.15	909,741.78				1,833,496.93	1,833,496.93	-	0.00
Repo Agmt	General Revenue Appn	0.02	08/30/13	09/03/13	78,561.28	78,561.28		(73,527.48)			5,033.80	5,033.80	-	0.00
Repo Agmt	General Revenue Appn				106,999.60	106,999.60		(106,999.60)			-	-	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.02	08/30/13	09/03/13	316,421.00	316,421.00	794,675.69				1,111,096.69	1,111,096.69	-	0.00
Repo Agmt	Bootstrap -GR	0.02	08/30/13	09/03/13	0.83	0.83	83,352.67				83,353.50	83,353.50	-	0.00
Repo Agmt	Bootstrap -GR				95,400.00	95,400.00		(95,400.00)			-	-	-	0.00
Repo Agmt	Bootstrap -GR	0.02	08/30/13	09/03/13	2,304,754.39	2,304,754.39		(1,417,919.12)			886,835.27	886,835.27	-	0.00
Repo Agmt	Contract for Deed Conversion	0.02	08/30/13	09/03/13			286,065.91				286,065.91	286,065.91	-	0.00
<b>Housing Trust Fund Total</b>					<b>8,025,627.05</b>	<b>8,025,627.05</b>	<b>2,226,315.69</b>	<b>(3,238,204.66)</b>	<b>0.00</b>	<b>0.00</b>	<b>7,013,738.08</b>	<b>7,013,738.08</b>	<b>0.00</b>	<b>0.00</b>
Repo Agmt	Multi Family	0.02	08/30/13	09/03/13	904,152.10	904,152.10	116,593.76				1,020,745.86	1,020,745.86	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Repo Agmt	Multi Family	0.02	08/30/13	09/03/13	709,501.96	709,501.96	28,465.59				737,967.55	737,967.55	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.02	08/30/13	09/03/13	6,355,119.76	6,355,119.76	11,606.14				6,366,725.90	6,366,725.90	-	0.00
	<b>Compliance Total</b>				7,968,773.82	7,968,773.82	156,665.49	0.00	0.00	0.00	8,125,439.31	8,125,439.31	0.00	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.02	08/30/13	09/03/13	681,571.13	681,571.13		(93,360.71)			588,210.42	588,210.42	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.02	08/30/13	09/03/13	5,390,162.79	5,390,162.79	95,350.38				5,485,513.17	5,485,513.17	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.02	08/30/13	09/03/13	348,994.04	348,994.04		(2,923.26)			346,070.78	346,070.78	-	0.00
	<b>Housing Initiatives Investment Summary</b>				6,420,727.96	6,420,727.96	95,350.38	(96,283.97)	0.00	0.00	6,419,794.37	6,419,794.37	0.00	0.00
	<b>Total Investment Summary</b>				32,207,674.17	32,376,969.37	3,120,510.34	(5,404,139.03)	(314,444.22)	0.00	29,609,601.26	29,752,680.58	(26,215.88)	0.00

R4

**BOARD REPORT ITEM**  
**BOND FINANCE DIVISION**  
**NOVEMBER 7, 2013**

**REPORT ITEM**

Report on the Department's 4th Quarter Investment Report relating to funds held under Bond Trust Indentures.

**BACKGROUND**

- The Department's Investment Policy, was revised and approved at the April 11, 2013, Board Meeting to exclude funds invested under a bond trust indenture for the benefit of bond holders because each trust indenture controls the authorized investments under that particular trust indenture. Management of assets within an indenture is the responsibility of the Trustee. This internal management report is for informational purposes only and while not required under the Public Funds Investment Act, it is consistent with 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 their fair value at the beginning and end of the quarter.
- The detail for investment activity can be found after Page 3 of the attached Bond Trust Indenture Internal Management Report.
- Overall, the portfolio carrying value decreased by \$24 million (See Page 1 of the attached Bond Trust Indenture Internal Management Report) for a total of \$1,043,226,894. The decrease is accounted for by loan repayments and bond redemptions.

The portfolio consists of those investments described on page 2 of the attached Bond Trust Indenture Internal Management Report.

	<b><u>Beginning Quarter</u></b>	<b><u>Ending Quarter</u></b>
<b>Mortgage Backed Securities (MBS)</b>	90%	88%
<b>Guaranteed Investment Contract/ Investment Agreement (GIC/IA)</b>	5%	3%
<b>Repurchase Agreements</b>	3%	7%
<b>Money Markets and Mutual Funds</b>	2%	2%

The 4% increase in Repurchase Agreements and 2% decrease in GIC/IA is a result of the withdrawal of funds from investment agreements on August 31, 2013, and investment in overnight repurchase agreements for pending Single Family debt service payment due on September 1, 2013.

The portfolio activity for the quarter:

- \$3,109,759 of MBS purchases during the quarter represent portfolio activity for new loans originated of which all were directly related to the warehouse agreement.
- The maturities in MBS this quarter were \$64,711,331 which represents loan repayments or payoffs. The table below shows the trend in new loans and loan payoffs.

	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
	FY 12	FY 13	FY 13	FY 13	FY 13	Total
Purchases	\$ 54,966,537	78,081,778	67,382,866	40,975	3,109,759	203,581,915
Sales	86,757,407	69,097,988	167,804,707	-	-	323,660,102
Maturities	28,630,405	54,898,088	44,354,858	49,028,604	64,711,331	241,623,286

- The process of valuing investments at fair value (market value) identifies 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 fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) decreased \$17 million (See Pages 1 and 2), decreasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being greater than the carrying value. The national average for a 30-year fixed mortgage, as reported by the Freddie Mac Primary Mortgage Market Survey as of August 31, 2013, was 4.51%, up from 3.81% at the end of May 2013. The spread between the market rate and our below-market rates is decreasing. 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. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.
- The ability of our investments to 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 reported on page 3 in the Bond Trust Indenture Parity Comparison. This report shows parity (ratio of assets to liabilities) by indentures with assets greater than liabilities in a range from 99.51% to 128.57% which would indicate the Department has sufficient assets to meet its obligations. The interest comparison reflects interest income greater than interest expense and indicates a positive cash flow.

**BOND TRUST INDENTURE  
INTERNAL MANAGEMENT REPORT  
QUARTER ENDING AUGUST 31, 2013**

- 1) Bond Trust Indenture - Internal Management Report
- 2) Supplemental Internal Management Report by Investment Type
- 3) Bond Trust Indenture Parity Comparison
- 4) Detail of Investments including maturity dates by Fund Group



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 BOND FINANCE DIVISION  
 BOND TRUST INDENTURES  
 Supplemental Internal Management Report  
 Quarter Ending August 31, 2013

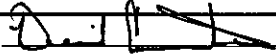

(b) (4) Summary statement of each pooled fund group:

INDENTURE	FAIR VALUE	CARRYING	ACCRETION/ PURCHASES	CHANGE IN CARRYING VALUE			CARRYING	FAIR VALUE	CHANGE	RECOGNIZED
	(MARKET) @ 8/31/13	VALUE @ 8/31/13		AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE @ 8/31/13	(MARKET) @ 8/31/13	IN FAIR VALUE (MARKET)	
Single Family	683,638,494.41	632,389,247.42	38,893,254.60	(13,459,116.13)	(43,247,658.45)	0.00	614,575,727.44	657,075,146.56	(8,749,827.87)	0.00
RMRB	381,202,143.19	357,095,317.53	14,025,953.99	(1,733,469.13)	(20,819,367.68)	0.00	348,568,434.71	365,310,531.70	(7,364,728.67)	0.00
CHMRB	6,965,325.75	6,117,389.86	22,219.11	(269,647.69)	(214,527.04)	0.00	5,655,434.24	6,387,792.15	(115,577.98)	0.00
Taxable Mortgage Program	10,053,831.53	9,740,107.53	877,928.37	0.00	(328,309.86)	0.00	10,289,726.04	10,246,571.18	(356,878.86)	0.00
Multi Family	64,787,357.03	62,333,727.80	5,909,065.38	(4,003,754.19)	(101,467.69)	0.00	64,137,571.30	65,754,672.48	(836,528.05)	0.00
<b>TOTAL</b>	<b>1,146,647,151.91</b>	<b>1,067,675,790.14</b>	<b>59,728,421.45</b>	<b>(19,465,987.14)</b>	<b>(64,711,330.72)</b>	<b>0.00</b>	<b>1,043,226,893.73</b>	<b>1,104,774,714.07</b>	<b>(17,423,541.43)</b>	<b>0.00</b>

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:

Tim Nelson completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 10, 2012

David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 16, 2013

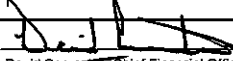

	Date 10/18/13
David Cervantes, Chief Financial Officer	
	Date 10-18-13
Tim Nelson, Director of Bond Finance	

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
 BOND FINANCE DIVISION  
 BOND TRUST INDENTURES  
 Supplemental Internal Management Report by Investment Type  
 Quarter Ending August 31, 2013

Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 8/31/13	CARRYING VALUE @ 8/31/13	ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 8/31/13	FAIR VALUE (MARKET) @ 8/31/13	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
<b>INDENTURE RELATED:</b>										
Mortgage-Backed Securities	1,045,647,444.24	966,676,082.47	3,109,758.95		(64,711,330.72)	0.00	905,074,510.70	966,622,331.04	(17,423,541.43)	0.00
Guaranteed Inv Contracts	41,356,800.34	41,356,800.34	727,747.20	(9,258,519.91)	0.00	0.00	32,826,027.63	32,826,027.63	-	0.00
Investment Agreements	7,351,428.86	7,351,428.86	177,384.81	(4,023,056.55)	0.00	0.00	3,505,757.12	3,505,757.12		0.00
Treasury-Backed Mutual Funds	10,051,742.30	10,051,742.30	2,900,097.16	(1,361,229.03)	0.00	0.00	11,590,610.43	11,590,610.43		0.00
Repurchase Agreements	28,131,738.18	28,131,738.18	49,981,849.92	(2,738,352.83)	0.00	0.00	75,375,235.27	75,375,235.27		0.00
Money Markets	14,107,997.99	14,107,997.99	2,831,583.41	(2,084,828.82)	0.00	0.00	14,854,752.58	14,854,752.58		0.00
<b>INDENTURE RELATED SUBTOTAL:</b>	<b>1,146,647,151.91</b>	<b>1,067,675,790.14</b>	<b>59,728,421.45</b>	<b>(19,465,987.14)</b>	<b>(64,711,330.72)</b>	<b>0.00</b>	<b>1,043,226,893.73</b>	<b>1,104,774,714.07</b>	<b>(17,423,541.43)</b>	<b>0.00</b>

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:  
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	Date <u>10/18/13</u>
David Cervantes, Chief Financial Officer	
	Date <u>10-18-13</u>
Tim Nelson, Director of Bond Finance	

**Texas Department of Housing and Community Affairs**  
**Bond Finance Division**  
**Executive Summary**  
*As of August 31, 2013*

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Taxable Mortgage Program	Multi-Family Indenture Funds	Combined Totals
<b>PARITY COMPARISON:</b>						
PARITY ASSETS						
Cash	\$ 116,372	\$ 5,686	\$ -		\$ 30,221	\$ 152,279
Investments <sup>(1)</sup>	\$ 84,241,384	\$ 22,452,349	\$ 296,030	\$ 2,432,764	\$ 62,384,091	\$ 171,806,618
Mortgage Backed Securities <sup>(1)</sup>	\$ 532,299,143	\$ 325,865,669	\$ 5,362,030	\$ 7,856,962	\$ -	\$ 871,383,804
Loans Receivable <sup>(2)</sup>	\$ 3,198,104				\$ 1,012,167,433	\$ 1,015,365,537
Accrued Interest Receivable	\$ 2,302,698	\$ 1,231,896	\$ 32,076	\$ 34,931	\$ 7,896,646	\$ 11,498,247
<b>TOTAL PARITY ASSETS</b>	<b>\$ 622,157,701</b>	<b>\$ 349,555,601</b>	<b>\$ 5,690,136</b>	<b>\$ 10,324,657</b>	<b>\$ 1,082,478,391</b>	<b>\$ 2,070,206,485</b>
PARITY LIABILITIES						
Bonds Payable <sup>(1)</sup>	\$ 574,100,000	\$ 320,480,000	\$ 4,400,000		\$ 1,012,352,740	\$ 1,911,332,740
Accrued Interest Payable	\$ 11,839,872	\$ 1,919,475	\$ 25,822		\$ 8,066,296	\$ 21,851,465
Other Non-Current Liabilities <sup>(3)</sup>					\$ 67,373,594	\$ 67,373,594
<b>TOTAL PARITY LIABILITIES</b>	<b>\$ 585,939,872</b>	<b>\$ 322,399,475</b>	<b>\$ 4,425,822</b>	<b>\$ -</b>	<b>\$ 1,087,792,630</b>	<b>\$ 2,000,557,799</b>
PARITY DIFFERENCE	\$ 36,217,829	\$ 27,156,126	\$ 1,264,314	N/A	\$ (5,314,240)	\$ 69,648,686
<b>PARITY</b>	<b>106.18%</b>	<b>108.42%</b>	<b>128.57%</b>	<b>N/A</b>	<b>99.51%</b>	<b>103.48%</b>
<b>INTEREST COMPARISON For the <i>twelfth</i> Fiscal Month Only (not Fiscal Year to Date) :</b>						
INTEREST INCOME						
Interest & Investment Income	\$ 2,693,477	\$ 4,198,150	\$ 97,558	\$ -	\$ 6,987,511	\$ 13,976,696
<b>TOTAL INTEREST INCOME</b>	<b>\$ 2,693,477</b>	<b>\$ 4,198,150</b>	<b>\$ 97,558</b>	<b>\$ -</b>	<b>\$ 6,987,511</b>	<b>\$ 13,976,696</b>
INTEREST EXPENSE						
Interest on Bonds	\$ 1,874,763	\$ 4,608,716	\$ 101,332	\$ -	\$ 6,940,389	\$ 13,525,200
<b>TOTAL INTEREST EXPENSE</b>	<b>\$ 1,874,763</b>	<b>\$ 4,608,716</b>	<b>\$ 101,332</b>	<b>\$ -</b>	<b>\$ 6,940,389</b>	<b>\$ 13,525,200</b>
NET INTEREST	\$ 818,714	\$ (410,566)	\$ (3,774)	N/A	\$ 47,122	\$ 451,496
<b>INTEREST RATIO</b>	<b>143.67%</b>	<b>91.09%</b>	<b>96.28%</b>	<b>N/A</b>	<b>100.68%</b>	<b>103.34%</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**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	13,608,793.73	13,608,793.73		(321,270.94)			13,287,522.79	13,287,522.79	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.02	08/30/13	09/03/13	5,916.50	5,916.50		(3,186.99)			2,729.51	2,729.51	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.02	08/30/13	09/03/13	11,492.28	11,492.28	4,572,456.39				4,583,948.67	4,583,948.67	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.02	08/30/13	09/03/13	82,401.95	82,401.95		(15,396.73)			67,005.22	67,005.22	-	0.00
<b>1980 Single Family Surplus Rev Total</b>					13,708,604.46	13,708,604.46	4,572,456.39	(339,854.66)	0.00	0.00	17,941,206.19	17,941,206.19	0.00	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	201,657.18	201,657.18		(136,631.75)			65,025.43	65,025.43	-	0.00
Repo Agmt	1983 A&B Single Family	0.02	08/30/13	09/03/13	6,880.83	6,880.83		(1,925.96)			4,954.87	4,954.87	-	0.00
<b>1983 A&amp;B Single Family Total</b>					208,538.01	208,538.01	0.00	(138,557.71)	0.00	0.00	69,980.30	69,980.30	0.00	0.00
GIC's	1984 A&B Single Family				32,689.05	32,689.05		(32,689.05)					-	0.00
Repo Agmt	1984 A&B Single Family	0.02	08/30/13	09/03/13	7,093.76	7,093.76		(5,996.66)			1,097.10	1,097.10	-	0.00
<b>1984 A&amp;B Single Family Total</b>					39,782.81	39,782.81	0.00	(38,685.71)	0.00	0.00	1,097.10	1,097.10	0.00	0.00
GIC's	1985 A Single Family	6.08	11/14/96	09/30/29	97,603.44	97,603.44		(73,812.89)			23,790.55	23,790.55	-	0.00
Repo Agmt	1985 A Single Family	0.02	08/30/13	09/03/13	3,060.70	3,060.70	557.33				3,618.03	3,618.03	-	0.00
<b>1985 A Single Family Total</b>					100,664.14	100,664.14	557.33	(73,812.89)	0.00	0.00	27,408.58	27,408.58	0.00	0.00
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29	16,349.29	16,349.29		(3,551.23)			12,798.06	12,798.06	-	0.00
Repo Agmt	1985 B&C Single Family	0.02	08/30/13	09/03/13			1,094.20				1,094.20	1,094.20	-	0.00
<b>1985 B&amp;C Single Family Total</b>					16,349.29	16,349.29	1,094.20	(3,551.23)	0.00	0.00	13,892.26	13,892.26	0.00	0.00
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	55,608.82	55,608.82		(27,944.54)			27,664.28	27,664.28	-	0.00
Repo Agmt	1987 B Single Family	0.02	08/30/13	09/03/13	4,283.74	4,283.74		(3,046.73)			1,237.01	1,237.01	-	0.00
Repo Agmt	1987 B Single Family	0.02	08/30/13	09/03/13	6,765.00	6,765.00	0.00				6,765.00	6,765.00	-	0.00
<b>1987 B Single Family Total</b>					66,657.56	66,657.56	0.00	(30,991.27)	0.00	0.00	35,666.29	35,666.29	0.00	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	72,141.92	72,141.92		(15,486.96)			56,654.96	56,654.96	-	0.00
Repo Agmt	1995 A&B Single Family	0.02	08/30/13	09/03/13	7,968.60	7,968.60		(5,737.48)			2,231.12	2,231.12	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	35,484.30	39,988.74			(503.11)		34,981.19	39,330.92	(154.71)	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	201,864.05	226,389.70			(12,648.73)		189,215.32	210,878.24	(2,862.73)	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	116,342.62	129,155.40			(1,411.70)		114,930.92	126,688.33	(1,055.37)	0.00
<b>1995 A&amp;B Single Family Total</b>					433,801.49	475,644.36	0.00	(21,224.44)	(14,563.54)	0.00	398,013.51	435,783.57	(4,072.81)	0.00
Repo Agmt	1996 A-C Single Family	0.02	08/30/13	09/03/13	14,496.22	14,496.22	0.58				14,496.80	14,496.80	-	0.00
<b>1996 A-C Single Family Total</b>					14,496.22	14,496.22	0.58	0.00	0.00	0.00	14,496.80	14,496.80	0.00	0.00
Repo Agmt	1996 D&E Single Family	0.02	08/30/13	09/03/13	290,092.00	290,092.00	0.00				290,092.00	290,092.00	-	0.00
Repo Agmt	1996 D&E Single Family	0.02	08/30/13	09/03/13	18,392.45	18,392.45	1.15				18,393.60	18,393.60	-	0.00
<b>1996 D&amp;E Single Family Total</b>					308,484.45	308,484.45	1.15	0.00	0.00	0.00	308,485.60	308,485.60	0.00	0.00
Repo Agmt	1997 D-F Single Family	0.02	08/30/13	09/03/13	1,022,075.88	1,022,075.88		(483,554.13)			538,521.75	538,521.75	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	182,235.81	204,994.15			(1,924.59)		180,311.22	197,095.29	(5,974.27)	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	70,598.65	79,415.00			(1,223.63)		69,375.02	75,815.79	(2,375.58)	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	323,172.86	357,956.00			(5,615.21)		317,557.65	349,297.59	(3,043.20)	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	495,871.48	543,460.29			(6,583.74)	(209,968.00)	279,319.74	305,112.15	(21,796.40)	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	113,282.66	125,475.28			(2,045.69)		111,236.97	122,341.78	(1,087.81)	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	119,023.51	130,297.45			(1,078.65)	(22,877.20)	95,067.66	103,733.11	(2,608.49)	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	266,137.96	295,612.78			(59,025.77)		207,112.19	227,127.57	(9,459.44)	0.00
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	476,219.65	528,665.81			(14,002.38)		462,217.27	509,576.13	(5,087.30)	0.00
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	85,408.78	96,074.62			(17,861.86)		67,546.92	73,831.48	(4,381.28)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	356,776.88	396,068.63			(26,922.58)		329,854.30	363,611.50	(5,534.55)	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	300,595.40	333,886.34			(3,324.86)		297,270.54	327,871.56	(2,689.92)	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	51,946.80	58,433.91			(604.05)		51,342.75	56,092.46	(1,737.40)	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	911,402.10	1,012,339.93			(10,225.26)		901,176.84	993,998.08	(8,116.59)	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	522,652.15	580,535.89			(6,426.39)		516,225.76	569,402.17	(4,707.33)	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	291,487.64	323,769.90			(3,066.71)		288,420.93	318,136.95	(2,566.24)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	283,869.79	311,555.65			(23,212.38)	(80,470.85)	180,186.56	197,097.12	(10,775.30)	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	375,995.67	412,666.42			(4,541.84)	(128,037.11)	243,416.72	266,236.95	(13,850.52)	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	258,442.43	282,937.56			(2,003.19)	(109,466.17)	146,973.07	160,528.36	(10,939.84)	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	204,794.76	224,448.87			(1,924.53)	(70,097.23)	132,773.00	145,031.90	(7,395.21)	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	62,084.49	67,781.34			(1,358.04)		60,726.45	65,289.41	(1,133.89)	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	512,289.00	561,453.35			(5,488.47)	(182,932.60)	323,867.93	353,615.18	(19,417.10)	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	551,257.38	604,161.58			(46,112.64)	(184,044.90)	321,099.84	350,795.21	(23,208.83)	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	705,004.23	772,663.44			(7,702.10)		697,302.13	761,718.84	(3,242.50)	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	980,301.12	1,074,380.59			(10,063.04)		970,238.08	1,059,829.87	(4,487.68)	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	456,596.75	499,845.57			(4,366.49)		452,230.26	493,478.17	(2,000.91)	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	165,981.60	182,169.80			(2,480.98)		163,500.62	178,841.90	(846.92)	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	99,894.55	109,060.85			(905.31)		98,989.24	106,420.34	(1,735.20)	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	194,383.58	211,763.37			(1,744.82)		192,638.76	210,203.52	184.97	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	217,747.61	239,324.28			(6,632.97)	(67,311.00)	143,803.64	157,529.75	(7,850.56)	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	771,898.17	845,012.33			(7,344.68)		764,553.49	834,265.44	(3,402.21)	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	94,390.80	102,516.81			(2,753.93)		91,636.87	98,467.39	(1,295.49)	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	36,430.47	39,881.16			(309.18)		36,121.29	39,272.51	(299.47)	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	171,622.99	188,093.63			(1,731.81)		169,891.18	185,590.81	(771.01)	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	149,246.83	163,862.52			(1,752.63)		147,494.20	161,427.93	(681.96)	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	56,831.80	62,214.87			(557.41)		56,274.39	61,416.71	(240.75)	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	169,721.14	186,270.58			(1,771.33)		167,949.81	183,827.72	(671.53)	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	206,349.90	224,933.80			(4,025.12)		202,324.78	220,823.36	(85.32)	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	27,084.66	29,209.34			(167.88)		26,916.78	28,466.06	(575.40)	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	33,698.59	36,353.70			(4,591.29)		29,107.30	30,666.09	(1,096.32)	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	41,619.92	44,761.98			(6,412.98)		35,206.94	37,038.92	(1,310.08)	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	41,987.15	45,160.52			(266.48)		41,720.67	44,005.70	(888.34)	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	47,983.97	51,605.45			(5,718.60)		42,265.37	44,486.35	(1,400.50)	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	47,152.84	50,754.41			(330.79)		46,822.05	49,422.83	(1,000.79)	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	61,865.30	66,530.28			(7,350.93)		54,514.37	57,478.79	(1,700.56)	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	34,517.53	37,283.31			(212.43)		34,305.10	36,335.51	(735.37)	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	11,096.96	11,982.52			(68.86)		11,028.10	11,639.71	(273.95)	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	17,644.08	19,141.89			(107.45)		17,536.63	18,613.68	(420.76)	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	9,340.70	9,967.72			(58.18)		9,282.52	9,713.32	(196.22)	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	4,564.65	4,990.08			(27.08)		4,537.57	4,853.34	(109.66)	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	13,476.46	14,342.16			(130.24)		13,346.22	13,852.47	(359.45)	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	5,667.08	6,012.63			(35.19)		5,631.89	5,837.18	(140.26)	0.00
<b>1997 D-F Single Family Total</b>					12,711,723.16	13,884,156.22	0.00	(483,554.13)	(324,192.64)	#####	10,848,771.33	11,815,683.70	(205,520.69)	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.02	08/30/13	09/03/13	210,114.13	210,114.13			(81,107.77)		129,006.36	129,006.36	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.02	08/30/13	09/03/13	74,083.26	74,083.26			(31,171.67)		42,911.59	42,911.59	-	0.00
<b>2002A Single Family (JR Lien) Total</b>					284,197.39	284,197.39	0.00	(112,279.44)	0.00	0.00	171,917.95	171,917.95	0.00	0.00
GIC's	2004 A/B Single Family	3.96	04/25/05	03/01/36	3,455,701.30	3,455,701.30			(142,970.51)		3,312,730.79	3,312,730.79	-	0.00
Repo Agmt	2004 A/B Single Family	0.02	08/30/13	09/03/13	1,097,417.43	1,097,417.43	3,546,249.58				4,643,667.01	4,643,667.01	-	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	687,812.87	741,267.36			(5,839.66)		681,973.21	721,050.27	(14,377.43)	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	483,004.55	518,265.30			(114,217.79)		368,786.76	384,255.29	(19,792.22)	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	113,824.55	120,905.06			(784.83)		113,039.72	117,779.61	(2,340.62)	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	682,157.87	733,919.30			(5,069.58)		677,088.29	714,661.01	(14,188.71)	0.00
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	897,749.83	965,376.55			(7,066.89)		890,682.94	940,120.69	(18,188.97)	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	1,308,397.23	1,407,689.75			(101,155.50)		1,207,241.73	1,273,564.35	(32,969.90)	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	529,967.84	564,120.78			(3,634.89)		526,332.95	552,573.95	(7,911.94)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	698,289.10	751,293.39			(4,904.95)		693,384.15	731,880.25	(14,508.19)	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	1,162,992.50	1,251,287.03			(101,667.58)		1,061,324.92	1,121,448.61	(28,170.84)	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	1,408,015.22	1,514,794.47			(10,434.55)		1,397,580.67	1,475,078.27	(29,281.65)	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	844,603.49	908,183.77			(213,567.59)		631,035.90	662,485.06	(32,131.12)	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	1,267,980.39	1,352,022.96			(356,477.03)		911,503.36	948,830.46	(46,715.47)	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	1,057,252.78	1,124,745.38			(8,337.44)		1,048,915.34	1,101,156.53	(15,251.41)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	1,242,212.95	1,335,752.77			(12,497.21)		1,229,715.74	1,297,937.67	(25,317.89)	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	2,120,574.88	2,281,463.49			(127,914.09)		1,992,660.79	2,103,219.83	(50,329.57)	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	237,341.94	260,879.37			(1,496.77)		235,845.17	258,372.15	(1,010.45)	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,259,060.01	1,354,590.70			(127,763.90)		1,131,296.11	1,193,430.88	(33,395.92)	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	74,779.50	82,195.78			(463.19)		74,316.31	81,415.03	(317.56)	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	630,886.79	678,818.62			(4,906.92)		625,979.87	660,776.37	(13,135.33)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	188,373.01	205,061.28			(1,390.80)		186,982.21	202,988.21	(682.27)	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	318,173.31	338,016.35			(2,456.42)		315,716.89	329,004.82	(6,555.11)	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	131,703.11	144,943.72			(827.56)		130,875.55	143,550.60	(565.56)	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	114,762.48	124,906.56			(749.19)		114,013.29	123,735.33	(422.04)	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	517,072.20	554,898.75			(4,306.39)		512,765.81	541,273.39	(9,318.97)	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	758,748.70	815,042.93			(5,185.91)		753,562.79	794,123.74	(15,733.28)	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	446,277.75	490,704.63			(3,681.61)		442,596.14	484,651.00	(2,372.02)	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	554,003.51	609,156.82			(49,554.58)		504,448.93	552,860.52	(6,741.72)	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	883,985.85	951,106.79			(149,752.12)		734,233.73	770,896.24	(30,458.43)	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	180,684.63	196,604.74			(38,487.78)		142,196.85	154,287.80	(3,829.16)	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	422,167.96	453,494.21			(2,820.38)		419,347.58	441,923.24	(8,750.59)	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,397,463.87	1,503,598.88			(132,312.57)		1,265,151.30	1,334,729.29	(36,557.02)	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	636,098.92	684,412.22			(4,682.58)		631,416.34	666,500.22	(13,229.42)	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	310,926.58	338,390.78			(1,962.54)		308,964.04	335,303.14	(1,125.10)	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	456,310.42	490,970.84			(3,819.81)		452,490.61	477,635.14	(9,515.89)	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	185,353.37	203,985.60			(1,205.87)		184,147.50	201,979.80	(799.93)	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	919,324.16	989,157.19			(94,734.83)		824,589.33	869,948.75	(24,473.61)	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	349,539.13	384,686.22			(2,571.52)		346,967.61	380,287.29	(1,827.41)	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	432,922.74	465,820.76			(89,860.74)		343,062.00	360,208.97	(15,751.05)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	287,851.97	316,434.84			(66,785.76)		221,066.21	241,036.44	(8,612.64)	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	95,483.94	102,990.14			(612.25)		94,871.69	100,125.08	(2,252.81)	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	445,159.36	478,223.92			(2,932.67)		442,226.69	465,887.83	(9,403.42)	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	275,092.44	296,003.12			(2,425.34)		272,667.10	287,721.19	(5,856.59)	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	406,963.48	437,899.83			(112,264.50)		294,698.98	307,023.75	(18,611.58)	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	313,632.31	333,142.05			(2,037.78)		311,594.53	324,568.28	(6,535.99)	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	898,860.43	965,649.21			(309,950.32)		588,910.11	618,157.80	(37,541.09)	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	897,151.16	955,088.78			(103,433.98)		793,717.18	830,630.82	(21,023.98)	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	435,715.08	479,141.53			(12,496.63)		423,218.45	464,573.00	(2,071.90)	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	354,750.75	381,728.05			(3,387.86)		351,362.89	370,773.03	(7,567.16)	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	194,717.37	211,939.08			(1,434.07)		193,283.30	210,070.79	(434.22)	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	117,004.07	124,309.10			(819.60)		116,184.47	121,047.28	(2,442.22)	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	271,589.23	295,623.10			(1,777.21)		269,812.02	293,259.52	(586.37)	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	225,046.75	243,143.65			(1,627.91)		223,418.84	236,174.33	(5,341.41)	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	166,016.92	182,514.43			(982.37)		165,034.55	180,837.95	(694.11)	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	382,039.86	411,102.73			(3,142.43)		378,897.43	399,838.71	(8,121.59)	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	146,818.90	159,820.55			(885.39)		145,933.51	158,626.29	(308.87)	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	74,992.88	81,944.35			(908.78)		74,084.10	79,201.17	(1,834.40)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	161,164.55	177,385.08			(1,054.55)		160,110.00	175,639.05	(691.48)	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	116,673.96	128,271.50			(717.80)		115,956.16	127,063.10	(490.60)	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	473,160.90	509,166.38			(3,697.68)		469,463.22	495,420.44	(10,048.26)	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	172,708.77	187,974.99			(1,431.47)		171,277.30	186,146.30	(397.22)	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	218,683.22	232,304.36			(1,402.47)		217,280.75	226,344.69	(4,557.20)	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	245,564.89	273,069.73			(59,400.75)		186,164.14	202,470.89	(11,198.09)	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	296,270.07	314,866.94			(2,668.69)		293,601.38	308,164.03	(4,034.22)	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	93,108.97	102,366.49			(569.83)		92,539.14	101,405.41	(391.25)	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	420,841.02	452,146.67			(111,764.37)		309,076.65	326,217.05	(14,165.25)	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	113,700.44	125,007.94			(685.80)		113,014.64	123,845.31	(476.83)	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	107,836.64	118,564.57			(683.00)		107,153.64	117,427.26	(454.31)	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	297,533.33	319,682.73			(1,862.76)		295,670.57	311,538.58	(6,281.39)	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	111,555.20	122,789.19			(1,031.88)		110,523.32	121,249.31	(508.00)	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	246,192.77	265,582.08			(1,589.83)		244,602.94	258,174.45	(5,817.80)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	138,984.58	152,981.57			(1,385.29)		137,599.29	150,953.69	(642.59)	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	130,183.40	140,436.92			(837.55)		129,345.85	136,523.14	(3,076.23)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	258,587.25	284,633.60			(2,045.90)		256,541.35	281,441.38	(1,146.32)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	137,969.14	148,696.95			(848.04)		137,121.10	144,602.51	(3,246.40)	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	339,923.70	373,765.65			(2,019.63)		337,904.07	370,619.17	(1,126.85)	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	175,284.76	192,515.92			(991.94)		174,292.82	190,748.82	(775.16)	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	232,906.16	251,261.97			(1,499.38)		231,406.78	244,258.65	(5,503.94)	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	20,029.82	22,022.80			(121.70)		19,908.12	21,817.01	(84.09)	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	1,674,251.97	1,798,927.06			(127,275.58)		1,546,976.39	1,629,441.71	(42,209.77)	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	23,260.11	25,574.92			(141.38)		23,118.73	25,362.22	(71.32)	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	123,884.12	133,512.30			(760.97)		123,123.15	129,846.43	(2,904.90)	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	275,421.71	299,850.52			(1,657.69)		273,764.02	297,709.60	(483.23)	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	242,977.40	259,174.49			(3,776.86)		239,200.54	251,125.48	(4,272.15)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	51,754.63	56,906.21			(317.31)		51,437.32	56,429.86	(159.04)	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	181,030.95	199,278.45			(1,233.93)		179,797.02	197,438.38	(606.14)	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	402,043.69	447,148.05			(2,301.04)		399,742.65	441,073.33	(3,773.68)	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	99,058.36	106,764.10			(603.68)		98,454.68	103,838.70	(2,321.72)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	63,452.71	69,690.70			(377.00)		63,075.71	69,042.84	(270.86)	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	151,775.67	166,696.64			(868.53)		150,907.14	165,183.36	(644.75)	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	107,761.68	116,261.74			(677.09)		107,084.59	113,044.20	(2,540.45)	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	333,002.17	366,602.34			(2,388.99)		330,613.18	363,053.43	(1,159.92)	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	792,653.73	870,641.24			(71,244.23)		721,409.50	783,899.84	(15,497.17)	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	162,685.19	178,890.16			(1,381.94)		161,303.25	176,938.35	(569.87)	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	216,863.73	233,738.47			(1,399.32)		215,464.41	227,249.78	(5,089.37)	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	739,516.63	813,186.84			(4,309.41)		735,207.22	806,478.14	(2,399.29)	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	98,136.05	107,789.05			(548.41)		97,587.64	106,825.95	(414.69)	0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,239,031.13	1,379,032.11			(113,170.11)		1,126,721.02	1,242,787.44	(23,074.56)	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	883,813.89	970,775.41			(94,837.65)		788,976.24	862,847.20	(13,090.56)	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	482,571.72	528,840.94			(3,066.39)		479,505.33	526,026.41	251.86	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	187,900.82	199,648.05			(1,348.16)		186,552.66	194,384.57	(3,915.32)	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	723,690.76	804,934.37			(4,149.67)		719,541.09	793,990.41	(6,794.29)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	102,917.23	111,481.67			(1,263.10)		101,654.13	109,882.75	(335.82)	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	534,232.87	586,810.29			(2,958.34)		531,274.53	581,805.42	(2,046.53)	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	75,667.24	82,083.74			(843.18)		74,824.06	79,428.05	(1,812.51)	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	1,423,306.44	1,565,254.67			(83,770.23)		1,339,536.21	1,469,420.28	(12,064.16)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	325,370.77	358,228.78			(86,872.60)		238,498.17	259,971.61	(11,384.57)	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	96,251.45	104,407.62			(937.00)		95,314.45	103,165.46	(305.16)	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	567,710.76	631,449.31			(89,225.23)		478,485.53	522,368.98	(19,855.10)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	868,216.47	953,672.09			(90,106.18)		778,110.29	851,632.29	(11,933.62)	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	113,620.31	123,215.14			(781.26)		112,839.05	122,107.35	(326.53)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	1,949,727.16	2,106,927.76			(134,672.91)		1,815,054.25	1,958,040.12	(14,214.73)	0.00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	59,671.08	64,319.24			(352.59)		59,318.49	62,567.32	(1,399.33)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	691,444.15	767,697.75			(3,972.52)		687,471.63	758,632.63	(5,092.60)	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	105,333.29	113,965.86			(793.19)		104,540.10	112,743.96	(428.71)	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	1,530,767.44	1,681,471.21			(84,798.19)		1,445,969.25	1,582,235.96	(14,437.06)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,090,339.02	1,197,688.76			(142,665.78)		947,673.24	1,030,580.56	(24,442.42)	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	829,975.29	911,690.78			(4,630.37)		825,344.92	903,328.67	(3,731.74)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	271,463.53	295,583.54			(119,606.44)		151,857.09	165,221.46	(10,755.64)	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	134,731.37	148,007.00			(766.76)		133,964.61	146,719.30	(520.94)	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	367,055.83	398,658.08			(2,042.82)		365,013.01	395,921.23	(694.03)	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	339,576.11	371,949.35			(1,986.95)		337,589.16	369,541.80	(420.60)	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	109,956.19	118,525.54			(657.81)		109,298.38	115,288.63	(2,579.10)	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	942,099.39	1,036,066.62			(5,737.16)		936,362.23	1,027,257.36	(3,072.10)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	111,589.58	120,729.13			(849.40)		110,740.18	119,418.18	(461.55)	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	772,698.62	848,800.57			(102,856.70)		669,841.92	731,508.45	(14,435.42)	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	407,341.10	446,184.09			(2,233.78)		405,107.32	443,459.87	(490.44)	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	358,883.31	394,687.51			(126,475.71)		232,407.60	254,992.11	(13,219.69)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	154,373.66	167,013.73			(870.16)		153,503.50	165,506.13	(637.44)	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	587,666.61	645,854.06			(116,255.92)		471,410.69	513,599.74	(15,998.40)	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	948,306.04	1,041,729.55			(266,506.79)		681,799.25	742,888.79	(32,333.97)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	610,252.52	672,686.02			(4,775.57)		605,476.95	663,938.68	(3,971.77)	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	74,425.67	80,634.21			(576.00)		73,849.67	79,874.08	(184.13)	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	55,565.04	59,898.78			(322.20)		55,242.84	58,273.73	(1,302.85)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	143,994.09	156,392.28			(865.26)		143,128.83	155,253.67	(273.35)	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	116,382.12	126,088.75			(1,063.93)		115,318.19	124,722.59	(302.23)	0.00
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	820,662.06	902,571.41			(47,885.77)		772,776.29	847,796.25	(6,889.39)	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	254,281.83	279,746.47			(127,948.04)		126,333.79	138,636.65	(13,161.78)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	204,205.28	220,537.57			(1,146.53)		203,058.75	218,680.48	(710.56)	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	283,449.79	307,861.63			(169,377.55)		114,072.24	123,670.31	(14,813.77)	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	736,426.34	819,222.68			(4,274.56)		732,151.78	808,588.59	(6,359.53)	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	242,171.98	261,984.83			(107,431.97)		134,740.01	145,345.45	(9,207.41)	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	780,744.83	857,231.08			(4,322.20)		776,012.63	850,401.25	(2,907.63)	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	166,104.78	179,067.53			(984.88)		165,119.90	174,161.61	(3,921.04)	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	170,327.67	187,119.97			(955.37)		169,372.30	185,488.51	(676.09)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	403,758.95	449,163.52			(2,210.45)		401,548.50	443,463.50	(3,489.57)	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	61,317.87	66,333.42			(359.10)		60,958.77	65,763.08	(211.24)	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	121,345.30	131,800.69			(659.76)		120,685.54	130,997.86	(143.07)	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	371,877.54	413,705.20			(1,994.37)		369,883.17	408,482.81	(3,228.02)	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	545,227.83	606,559.50			(87,870.67)		457,357.16	499,472.69	(19,216.14)	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	472,576.56	519,193.70			(2,710.33)		469,866.23	514,686.86	(1,796.51)	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	471,250.73	524,268.22			(2,913.54)		468,337.19	517,241.94	(4,112.74)	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	111,744.18	120,472.42			(642.58)		111,101.60	117,192.90	(2,636.94)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	56,873.33	60,900.52			(466.66)		56,406.67	60,308.11	(125.75)	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	374,469.41	411,412.54			(2,281.48)		372,187.93	407,694.71	(1,436.35)	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	205,518.30	225,796.13			(1,180.72)		204,337.58	223,807.14	(808.27)	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	348,822.06	389,123.91			(1,880.80)		346,941.26	386,249.25	(993.86)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	541,569.66	595,028.58			(2,974.12)		538,595.54	590,284.73	(1,769.73)	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	170,054.56	183,346.80			(1,095.63)		168,958.93	178,102.12	(4,149.05)	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	60,044.15	64,873.91			(328.52)		59,715.63	64,266.75	(278.64)	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	507,019.81	556,438.05			(2,691.45)		504,328.36	551,146.71	(2,599.89)	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	92,833.17	101,882.47			(480.58)		92,352.59	100,926.98	(474.91)	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36	66,693.30	72,055.82			(362.60)		66,330.70	71,372.14	(321.08)	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	274,310.91	301,067.48			(1,417.75)		272,893.16	298,293.25	(1,356.48)	0.00
GNMA	2004 A/B Single Family				74,927.93	82,328.05			(74,927.93)				(7,400.12)	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	181,985.02	199,974.34			(987.80)		180,997.22	198,305.22	(681.32)	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37	183,043.43	196,988.93			(1,165.19)		181,878.24	191,387.49	(4,436.25)	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	356,183.08	382,559.52			(2,467.47)		353,715.61	372,566.93	(7,525.12)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	267,850.38	284,800.20			(2,846.89)		265,003.49	274,673.40	(7,279.91)	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	74,711.31	79,409.61			(567.98)		74,143.33	76,888.69	(1,952.94)	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	212,878.81	226,267.04			(1,672.26)		211,206.55	219,045.11	(5,549.67)	0.00
FNMA	2004 A/B Single Family				94,648.75	100,459.09			(94,648.75)				(5,810.34)	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	161,606.58	171,531.65			(54,868.03)		106,738.55	110,689.04	(5,974.58)	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	74,431.50	80,553.91			(461.80)		73,969.70	79,717.67	(374.44)	0.00
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	195,479.15	208,642.58			(1,580.44)		193,898.71	201,091.43	(5,970.71)	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	187,943.72	203,405.59			(1,176.68)		186,767.04	201,503.71	(725.20)	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	134,549.83	142,819.51			(900.42)		133,649.41	138,556.41	(3,362.68)	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	45,271.85	48,998.07			(284.33)		44,987.52	48,475.33	(238.41)	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	133,133.34	144,668.74			(1,408.55)		131,724.79	141,993.04	(1,267.15)	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	177,554.13	188,740.44			(1,604.21)		175,949.92	182,479.61	(4,656.62)	0.00
FNMA	2004 A/B Single Family				141,978.07	150,712.17			(141,978.07)				(8,734.10)	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	144,089.07	156,781.97			(1,208.70)		142,880.37	153,955.12	(1,618.15)	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	131,609.62	139,904.97			(1,026.27)		130,583.35	135,430.35	(3,448.35)	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	66,412.62	71,883.65			(383.60)		66,029.02	71,129.66	(370.39)	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	153,979.82	166,669.43			(885.04)		153,094.78	164,925.90	(858.49)	0.00



**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	213,447.40	226,589.92			(1,417.18)		212,030.22	219,759.23	(5,413.51)	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	192,510.50	209,478.55			(1,445.07)		191,065.43	206,095.45	(1,938.03)	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	168,672.70	183,542.07			(1,090.50)		167,582.20	180,536.89	(1,914.68)	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	268,629.44	298,696.43			(1,566.07)		267,063.37	293,081.14	(4,049.22)	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	243,907.69	265,625.24			(1,811.70)		242,095.99	262,346.70	(1,466.84)	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	483,768.99	533,626.27			(2,963.22)		480,805.77	526,867.13	(3,795.92)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	3,447.11	3,499.87			(3,447.11)				(52.76)	0.00
FNMA	2004 A/B Single Family				111,819.65	119,238.35			(687.05)		111,132.60	118,029.52	(521.78)	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	233,971.32	253,267.09			(1,398.08)		232,573.24	250,560.26	(1,308.75)	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	127,219.93	137,712.39			(715.52)		126,504.41	136,288.70	(708.17)	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	199,416.44	215,864.60			(1,163.50)		198,252.94	213,838.48	(862.62)	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	704,772.16	783,678.24			(203,294.92)		501,477.24	540,267.56	(40,115.76)	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	141,474.35	153,144.46			(793.76)		140,680.59	151,563.30	(787.40)	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	338,882.39	376,827.32			(2,238.96)		336,643.43	369,484.64	(5,103.72)	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	198,635.64	215,022.43			(120,136.94)		78,498.70	84,590.66	(10,294.83)	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	320,987.41	358,541.17			(2,559.01)		318,428.40	349,433.69	(6,548.47)	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	84,491.37	91,462.27			(466.35)		84,025.02	90,526.26	(469.66)	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	277,217.34	300,090.78			(1,669.78)		275,608.37	296,934.71	(1,547.10)	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	269,929.47	298,721.50			(3,251.28)		266,678.19	289,107.43	(6,362.79)	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	60,699.62	66,055.57			(571.19)		60,128.43	64,853.25	(631.13)	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	208,499.36	226,897.87			(2,352.48)		206,146.88	222,100.58	(2,444.81)	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	298,064.40	332,949.36			(1,669.96)		296,394.44	324,454.95	(6,824.45)	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	99,298.47	107,496.63			(559.91)		98,738.56	106,383.78	(552.94)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	68,579.79	72,743.46			(416.02)		68,163.77	70,631.39	(1,696.05)	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	172,648.97	186,905.64			(1,024.74)		171,624.23	184,915.51	(965.39)	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	170,937.13	185,424.10			(1,021.22)		169,915.91	183,077.64	(1,325.24)	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	218,276.94	237,560.90			(5,563.59)		212,713.35	229,197.08	(2,800.23)	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	252,496.77	273,857.85			(1,324.98)		251,171.79	270,642.56	(1,890.31)	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	129,854.43	139,119.72			(858.64)		128,995.79	136,844.54	(1,416.54)	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	64,075.34	69,370.61			(368.78)		63,706.56	68,644.38	(357.45)	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37	175,279.23	190,140.40			(82,994.49)		92,284.74	99,442.82	(7,703.09)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	381,662.66	403,927.10			(2,337.77)		379,324.89	393,105.94	(8,483.39)	0.00
<b>2004 A/B Single Family Total</b>					<b>86,083,500.33</b>	<b>93,175,503.63</b>	<b>3,546,249.58</b>	<b>(142,970.51)</b>	<b>(5,965,133.44)</b>	<b>0.00</b>	<b>83,521,645.96</b>	<b>89,138,202.82</b>	<b>(1,475,446.44)</b>	<b>0.00</b>
Repo Agmt	2004 CDEF Single Family	0.02	08/30/13	09/03/13	0.02	0.02		0.00			0.02	0.02	-	0.00
GIC's	2004 CDEF Single Family	3.80	12/16/04	03/01/36	1,429,176.42	1,429,176.42		121,745.00			1,550,921.42	1,550,921.42	-	0.00
Repo Agmt	2004 CDEF Single Family	0.02	08/30/13	09/03/13	854,732.38	854,732.38		1,029,506.91			1,884,239.29	1,884,239.29	-	0.00
Repo Agmt	2004 CDEF Single Family	0.02	08/30/13	09/03/13	6,621.44	6,621.44		0.30			6,621.74	6,621.74	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	20,836.30	22,417.34			(140.22)		20,696.08	21,837.06	(440.06)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	8,789.41	9,456.55			(58.32)		8,731.09	9,212.80	(185.43)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	23,385.50	25,162.14			(158.95)		23,226.55	24,509.85	(493.34)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	14,073.28	15,114.76			(90.30)		13,982.98	14,749.35	(275.11)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	68,063.41	72,450.78			(4,572.76)		63,490.65	66,742.93	(1,135.09)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	23,274.72	25,042.27			(2,538.04)		20,736.68	21,833.95	(670.28)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	17,309.16	18,624.06			(1,904.39)		15,404.77	16,220.10	(499.57)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	9,395.67	10,086.26			(58.17)		9,337.50	9,843.98	(184.11)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	23,901.38	25,718.55			(153.46)		23,747.92	25,056.56	(508.53)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	4,894.61	5,296.36			(36.52)		4,858.09	5,144.08	(115.76)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	22,557.85	24,227.70			(198.75)		22,359.10	23,587.92	(441.03)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	17,410.44	18,733.56			(127.74)		17,282.70	18,237.14	(368.68)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	13,961.65	15,022.76			(92.21)		13,869.44	14,635.90	(294.65)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	13,773.46	14,793.29			(3,056.20)		10,717.26	11,268.53	(468.56)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	14,783.80	15,907.92			(102.77)		14,681.03	15,493.27	(311.88)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	26,350.36	28,354.06			(2,712.80)		23,637.56	24,931.60	(709.66)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	21,945.69	23,614.80			(5,403.06)		16,542.63	17,392.27	(819.47)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	17,537.45	18,847.18			(109.69)		17,427.76	18,369.59	(367.90)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	15,040.28	15,991.66			(1,053.72)		13,986.56	14,709.55	(228.39)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	24,477.56	26,313.72			(163.65)		24,313.91	25,624.65	(525.42)	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	9,682.66	10,419.16			(67.13)		9,615.53	10,147.00	(205.03)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	13,934.30	14,994.33			(4,988.38)		8,945.92	9,406.53	(599.42)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	35,400.25	38,054.89			(224.47)		35,175.78	37,114.15	(716.27)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	17,695.72	18,839.16			(118.03)		17,577.69	18,481.00	(240.13)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	23,573.50	25,367.48			(182.95)		23,390.55	24,684.72	(499.81)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	24,586.18	26,430.36			(148.45)		24,437.73	25,764.61	(517.30)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	17,007.24	18,284.36			(122.41)		16,884.83	17,802.67	(359.28)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	4,662.64	5,046.34			(39.33)		4,623.31	4,895.59	(111.42)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	12,659.38	13,610.16			(3,272.59)		9,386.79	9,871.11	(466.46)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	6,756.99	7,271.89			(2,684.02)		4,072.97	4,279.28	(308.59)	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	12,350.68	13,277.37			(74.06)		12,276.62	12,942.84	(260.47)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	26,302.39	28,276.03			(2,691.02)		23,611.37	24,882.60	(762.41)	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	20,554.91	22,097.51			(5,621.18)		14,933.73	15,702.07	(774.26)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	17,519.92	18,646.03			(158.39)		17,361.53	18,270.73	(216.91)	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	16,343.55	17,616.58			(160.06)		16,183.49	17,079.27	(377.25)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	19,052.03	20,503.28			(145.88)		18,906.15	19,950.49	(406.91)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	9,141.13	9,837.49			(80.27)		9,060.86	9,563.41	(193.81)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	17,732.93	19,083.95			(115.03)		17,617.90	18,594.68	(374.24)	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	12,911.31	13,732.91			(1,548.02)		11,363.29	11,928.16	(256.73)	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	13,789.19	14,821.26			(79.62)		13,709.57	14,454.05	(287.59)	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	20,640.39	22,161.77			(2,179.98)		18,460.41	19,457.51	(524.28)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	12,116.17	13,026.51			(69.99)		12,046.18	12,701.73	(254.79)	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	24,879.88	26,491.22			(2,436.03)		22,443.85	23,586.04	(469.15)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	15,643.12	16,818.89			(93.22)		15,549.90	16,394.65	(331.02)	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	19,284.43	20,512.46			(2,953.01)		16,331.42	17,134.61	(424.84)	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	30,277.36	32,553.17			(182.20)		30,095.16	31,722.30	(648.67)	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	21,751.84	23,387.19			(6,648.35)		15,103.49	15,882.54	(856.30)	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	8,448.28	9,083.56			(49.66)		8,398.62	8,855.17	(178.73)	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	25,831.87	27,774.46			(172.79)		25,659.08	27,054.00	(547.67)	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	15,992.72	17,195.39			(4,718.26)		11,274.46	11,856.22	(620.91)	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	7,432.81	8,032.36			(51.53)		7,381.28	7,796.94	(183.89)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	6,435.43	6,947.56			(46.78)		6,388.65	6,748.07	(152.71)	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	6,342.26	6,833.12			(3,398.90)		2,943.36	3,100.74	(333.48)	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	13,352.35	14,357.45			(2,465.57)		10,886.78	11,449.33	(442.55)	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	12,413.23	13,347.99			(3,403.43)		9,009.80	9,475.61	(468.95)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,289.06	4,630.73			(1,374.68)		2,914.38	3,072.63	(183.42)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	4,941.31	5,335.06			(28.29)		4,913.02	5,189.86	(116.91)	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	2,256.06	2,430.94			(12.53)		2,243.53	2,363.78	(54.63)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,576.74	2,777.58			(14.19)		2,562.55	2,701.00	(62.39)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,216.34	6,698.50			(35.81)		6,180.53	6,512.26	(150.43)	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	4,531.25	4,882.74			(25.40)		4,505.85	4,747.60	(109.74)	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	1,238.31	1,334.38			(6.87)		1,231.44	1,297.56	(29.95)	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	5,587.13	6,020.87			(47.85)		5,539.28	5,837.36	(135.66)	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,378.87	5,796.36			(29.60)		5,349.27	5,636.68	(130.08)	0.00
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	2,824.29	3,006.75			(15.19)		2,809.10	2,932.81	(58.75)	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	6,477.99	6,981.19			(35.03)		6,442.96	6,789.96	(156.20)	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	2,374.24	2,558.76			(12.61)		2,361.63	2,488.54	(57.61)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37	2,257.60	2,433.32			(11.76)		2,245.84	2,367.54	(54.02)	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37	2,172.52	2,353.41			(28.30)		2,144.22	2,272.74	(52.37)	0.00
GNMA	2004 CDEF Single Family				2,784.07	3,000.77			(2,784.07)				(216.70)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	2,300.05	2,479.30			(11.70)		2,288.35	2,412.99	(54.61)	0.00
GNMA	2004 CDEF Single Family				2,438.13	2,597.68			(2,438.13)				(159.55)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	03/20/38	5,364.37	5,782.80			(27.32)		5,337.05	5,627.08	(128.40)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	1,387.23	1,475.03			(9.33)		1,377.90	1,427.86	(37.84)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	6,634.98	7,045.15			(52.74)		6,582.24	6,824.21	(168.20)	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	2,833.16	3,026.85			(900.80)		1,932.36	2,004.34	(121.71)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	2,709.95	2,877.51			(17.07)		2,692.88	2,793.31	(67.13)	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	5,437.29	5,781.81			(2,011.91)		3,425.38	3,552.07	(217.83)	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,198.19	5,514.54			(31.10)		5,167.09	5,357.26	(126.18)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	5,489.58	5,823.73			(32.66)		5,456.92	5,657.58	(133.49)	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	1,051.28	1,117.91			(21.56)		1,029.72	1,068.03	(28.32)	0.00
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	2,674.80	2,837.63			(16.27)		2,658.53	2,757.14	(64.22)	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	1,805.68	1,915.66			(10.60)		1,795.08	1,860.40	(44.66)	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	6,828.67	7,427.28			(58.70)		6,769.97	7,303.11	(65.47)	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	6,186.04	6,562.83			(36.23)		6,149.81	6,373.61	(152.99)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	4,448.69	4,719.69			(25.74)		4,422.95	4,583.92	(110.03)	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	2,455.56	2,598.99			(14.12)		2,441.44	2,532.36	(52.51)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	3,800.34	4,022.40			(21.84)		3,778.50	3,916.14	(84.42)	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	3,979.97	4,232.52			(28.61)		3,951.36	4,096.90	(107.01)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	4,803.82	5,084.61			(28.25)		4,775.57	4,949.60	(106.76)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	971.80	1,028.63			(99.04)		872.76	904.58	(25.01)	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	6,060.91	6,430.45			(2,277.71)		3,783.20	3,921.08	(231.66)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	988.02	1,050.78			(12.21)		975.81	1,012.22	(26.35)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,151.24	1,218.58			(6.37)		1,144.87	1,186.63	(25.58)	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,224.20	3,412.82			(18.14)		3,206.06	3,324.01	(70.67)	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,204.02	4,460.58			(26.44)		4,177.58	4,330.09	(104.05)	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	7,401.47	7,834.72			(40.42)		7,361.05	7,629.90	(164.40)	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,490.92	4,753.85			(24.38)		4,466.54	4,629.73	(99.74)	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,273.24	5,582.01			(28.70)		5,244.54	5,436.18	(117.13)	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	06/01/37	10,676.14	11,609.11			(60.99)		10,615.15	11,456.20	(91.92)	0.00
FNMA	2004 CDEF Single Family	4.49	09/25/07	09/01/37	7,209.34	7,663.65			(38.16)		7,171.18	7,467.49	(158.00)	0.00
FNMA	2004 CDEF Single Family	4.49	11/08/07	09/01/37	6,945.76	7,585.19			(46.35)		6,899.41	7,477.45	(61.39)	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/07	09/01/37	2,905.43	3,110.65			(15.18)		2,890.25	3,031.81	(63.66)	0.00
FNMA	2004 CDEF Single Family	4.49	12/11/07	11/01/37	6,442.62	6,886.25			(39.02)		6,403.60	6,701.42	(145.81)	0.00
FNMA	2004 CDEF Single Family	4.49	03/26/08	02/01/38	9,601.77	10,488.39			(64.39)		9,537.38	10,343.59	(80.41)	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	87,739.32	97,607.55			(2,437.21)		85,302.11	95,196.22	25.88	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	81,166.96	94,298.08			(1,202.35)		79,964.61	84,198.24	(8,897.49)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	206,277.24	240,153.81			(3,439.64)		202,837.60	225,915.47	(10,798.70)	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	37,251.51	43,438.83			(577.71)		36,673.80	37,228.22	(5,632.90)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	53,471.66	60,104.82			(787.77)		52,683.89	58,501.10	(815.95)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	10,121.08	11,468.43			(1,013.80)		9,107.28	10,177.26	(277.37)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	574,172.75	637,853.16			(28,297.50)		545,875.25	601,864.91	(7,690.75)	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	408,328.41	474,555.88			(52,097.84)		356,230.57	408,619.05	(13,838.99)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	230,156.24	268,053.82			(4,514.99)		225,641.25	259,384.03	(4,154.80)	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	52,958.30	61,846.89			(1,257.95)		51,700.35	59,570.22	(1,018.72)	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	132,243.92	146,984.17			(3,522.53)		128,721.39	141,999.00	(1,462.64)	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	253,555.67	295,456.20			(4,473.33)		249,082.34	286,473.72	(4,509.15)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	99,421.62	116,132.76			(1,489.38)		97,932.24	112,567.27	(2,076.11)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	11,582.98	13,528.95			(1,863.71)		9,719.27	11,200.28	(464.96)	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	26,696.58	31,383.35			(345.37)		26,351.21	30,526.48	(511.50)	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	26,739.11	31,394.87			(343.86)		26,395.25	30,544.80	(506.21)	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	37,011.14	43,529.15			(634.08)		36,377.06	42,160.36	(734.71)	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	1,342,507.54	1,446,452.60			(10,129.47)		1,332,378.07	1,407,765.30	(28,557.83)	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	3,042,825.58	3,243,579.63			(457,313.56)		2,585,512.02	2,705,928.65	(80,337.42)	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,202,097.04	1,295,209.79			(8,584.80)		1,193,512.24	1,261,079.14	(25,545.85)	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	225,749.22	243,826.11			(1,480.39)		224,268.83	236,998.06	(5,347.66)	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	1,359,178.54	1,462,129.16			(133,691.00)		1,225,487.54	1,292,332.81	(36,105.35)	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	714,165.97	768,264.96			(4,713.54)		709,452.43	748,425.77	(15,125.65)	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	48,649.87	52,547.40			(305.25)		48,344.62	51,090.38	(1,151.77)	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	920,094.98	980,839.89			(10,202.81)		909,892.17	956,262.96	(14,374.12)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	294,921.40	313,700.68			(1,882.17)		293,039.23	305,658.10	(6,160.41)	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	199,550.17	215,542.21			(1,246.72)		198,303.45	209,571.39	(4,724.10)	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	161,653.62	174,889.90			(107,026.30)		54,627.32	57,731.08	(10,132.52)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	473,810.76	509,751.37			(2,971.27)		470,839.49	496,752.87	(10,027.23)	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	512,446.36	544,398.09			(3,377.20)		509,069.16	535,049.57	(5,971.32)	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	618,125.48	664,985.47			(3,982.20)		614,143.28	647,922.95	(13,080.32)	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	255,895.59	276,438.03			(1,672.63)		254,222.96	268,717.86	(6,047.54)	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	190,318.51	205,597.88			(1,401.44)		188,917.07	199,697.09	(4,499.35)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	361,397.79	388,839.22			(2,413.87)		358,983.92	378,815.31	(7,610.04)	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	395,988.73	426,717.83			(3,080.31)		392,908.42	415,202.54	(8,434.98)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	118,898.45	128,643.77			(847.54)		118,050.91	124,985.75	(2,810.48)	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	2,032,929.65	2,187,191.20			(196,466.69)		1,836,462.96	1,936,656.21	(54,068.30)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	396,362.76	425,661.96			(95,770.35)		300,592.41	313,474.50	(16,417.11)	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	145,910.86	155,217.61			(969.54)		144,941.32	151,212.80	(3,035.27)	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	421,379.91	453,363.98			(2,766.32)		418,613.59	441,697.54	(8,900.12)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	719,554.14	773,427.91			(4,401.11)		715,153.03	753,900.81	(15,125.99)	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	186,180.16	198,070.83			(1,157.82)		185,022.34	193,033.55	(3,879.46)	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	242,299.07	261,485.68			(1,530.97)		240,768.10	254,247.43	(5,707.28)	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	134,545.20	145,350.43			(856.93)		133,688.27	141,323.07	(3,170.43)	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	726,297.29	781,469.69			(4,668.11)		721,629.18	761,466.35	(15,335.23)	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	591,319.65	629,480.99			(152,065.27)		439,254.38	459,594.96	(17,820.76)	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	217,902.45	231,831.75			(1,340.12)		216,562.33	225,960.48	(4,531.15)	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	430,972.10	462,871.62			(2,980.33)		427,991.77	451,653.38	(8,237.91)	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	697,862.73	750,120.74			(4,281.28)		693,581.45	731,161.55	(14,677.91)	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	291,451.10	310,072.54			(75,340.04)		216,111.06	225,482.75	(9,249.75)	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	480,115.72	516,604.91			(3,277.15)		476,838.57	503,189.07	(10,138.69)	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	500,322.00	537,800.01			(217,885.64)		282,436.36	296,928.82	(22,985.55)	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	411,724.52	441,991.82			(2,523.16)		409,201.36	431,398.31	(8,070.35)	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	386,214.40	416,252.62			(2,787.09)		383,427.31	405,280.65	(8,184.88)	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	170,678.86	181,594.00			(64,752.84)		105,926.02	110,462.53	(6,378.63)	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	247,745.31	263,590.27			(1,521.28)		246,224.03	256,917.16	(5,151.83)	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	571,828.56	614,726.88			(3,368.02)		568,460.54	599,325.95	(12,032.91)	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	238,086.50	256,981.27			(74,721.81)		163,364.69	172,425.10	(9,834.36)	0.00
GNMA	2004 CDEF Single Family				51,848.14	55,164.48			(51,848.14)				(3,316.34)	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	445,241.22	473,511.98			(2,775.77)		442,465.45	465,225.29	(5,510.92)	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	671,702.46	722,805.64			(4,760.13)		666,942.33	703,822.33	(14,223.18)	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	404,908.64	430,626.71			(4,516.18)		400,392.46	421,622.19	(4,488.34)	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	161,815.84	172,171.29			(951.12)		160,864.72	167,850.43	(3,369.74)	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	277,744.41	300,575.09			(1,950.50)		275,793.91	292,036.65	(6,587.94)	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	644,860.45	693,288.67			(3,922.63)		640,937.82	675,788.27	(13,577.77)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	136,178.32	146,996.98			(850.20)		135,328.12	142,933.27	(3,213.51)	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	221,698.73	239,311.54			(1,351.90)		220,346.83	232,743.18	(5,216.46)	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	181,063.03	195,437.09			(1,061.91)		180,001.12	190,115.90	(4,259.28)	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	75,492.47	81,486.58			(444.64)		75,047.83	79,267.37	(1,774.57)	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	178,152.40	192,301.22			(1,062.60)		177,089.80	186,921.60	(4,317.02)	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	423,073.89	454,837.48			(2,684.08)		420,389.81	443,243.87	(8,909.53)	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	424,191.90	456,042.62			(113,360.44)		310,831.46	327,822.71	(14,859.47)	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	341,652.85	363,556.21			(132,463.70)		209,189.15	218,281.92	(12,810.59)	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	174,596.80	188,472.17			(1,033.25)		173,563.55	183,334.33	(4,104.59)	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	98,388.28	106,208.68			(572.51)		97,815.77	103,309.86	(2,326.31)	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	99,763.08	107,694.60			(597.92)		99,165.16	104,736.83	(2,359.85)	0.00
GNMA	2004 CDEF Single Family				126,749.47	136,827.34			(126,749.47)				(10,077.87)	0.00
GNMA	2004 CDEF Single Family				208,421.51	224,994.27			(208,421.51)				(16,572.76)	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	82,972.56	89,571.44			(494.13)		82,478.43	87,113.82	(1,963.49)	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	376,809.57	406,781.64			(2,168.60)		374,640.97	395,704.05	(8,908.99)	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	182,027.24	196,505.80			(1,061.69)		180,965.55	191,139.62	(4,304.49)	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	536,598.66	576,813.02			(114,767.40)		421,831.26	443,607.97	(18,437.65)	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	96,376.34	104,046.79			(550.95)		95,825.39	101,216.32	(2,279.52)	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	824,705.44	886,772.16			(4,980.05)		819,725.39	864,336.17	(17,455.94)	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	673,795.87	724,527.20			(3,882.19)		669,913.68	706,284.71	(14,360.30)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	259,362.14	279,450.26			(1,473.05)		257,889.09	271,434.95	(6,542.26)	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	177,792.82	191,956.85			(1,183.04)		176,609.78	186,558.82	(4,214.99)	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	466,949.71	501,377.40			(132,689.68)		334,260.03	352,161.34	(16,526.38)	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	193,862.22	208,883.55			(1,104.65)		192,757.57	203,082.96	(4,695.94)	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	486,405.29	522,283.23			(2,700.47)		483,704.82	509,113.13	(10,469.63)	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	361,552.51	388,225.46			(2,015.37)		359,537.14	378,455.95	(7,754.14)	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	210,078.49	226,829.23			(1,199.68)		208,878.81	220,660.15	(4,969.40)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	60,943.20	65,666.28			(310.15)		60,633.05	63,897.74	(1,458.39)	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	113,993.81	122,828.28			(588.16)		113,405.65	119,524.39	(2,715.73)	0.00
GNMA	2004 CDEF Single Family	4.49	02/19/08	02/20/38	155,137.45	167,162.40			(820.26)		154,317.19	162,631.09	(3,711.05)	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	12/20/37	299,056.47	322,243.32			(1,681.40)		297,375.07	313,411.27	(7,150.65)	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	136,370.06	144,986.41			(2,609.93)		133,760.13	138,695.14	(3,681.34)	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	178,820.11	190,123.19			(1,946.56)		176,873.55	183,394.75	(4,781.88)	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	269,222.76	285,861.20			(1,757.63)		267,465.13	277,169.16	(6,934.41)	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	127,887.92	136,037.29			(1,848.39)		126,039.53	130,643.23	(3,545.67)	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	99,345.87	105,387.17			(601.90)		98,743.97	102,327.78	(2,457.49)	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	134,958.21	143,505.81			(1,141.23)		133,816.98	138,675.82	(3,688.76)	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	149,412.60	158,506.61			(989.14)		148,423.46	153,953.79	(3,563.68)	0.00
FNMA	2004 CDEF Single Family				119,657.73	127,242.52			(119,657.73)				(7,584.79)	0.00
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	115,626.40	122,667.70			(685.02)		114,941.38	119,122.75	(2,859.93)	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	69,503.51	73,737.25			(400.82)		69,102.69	71,617.74	(1,718.69)	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	246,305.19	268,552.98			(3,044.49)		243,260.70	263,661.89	(1,846.60)	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	206,232.64	219,399.46			(12,428.82)		193,803.82	200,884.26	(6,086.38)	0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	68,491.35	72,668.04			(420.19)		68,071.16	70,553.13	(1,694.72)	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	61,872.22	65,491.29			(344.03)		61,528.19	63,772.87	(1,374.39)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/08	01/01/38	431,027.62	459,607.67			(2,274.19)		428,753.43	447,679.36	(9,654.12)	0.00
GNMA	2004 CDEF Single Family	5.38	08/07/07	07/20/37	3,037.87	3,340.79			(14.15)		3,023.72	3,308.92	(17.72)	0.00
GNMA	2004 CDEF Single Family	5.63	08/07/07	08/20/37	11,380.65	12,530.06			(56.14)		11,324.51	12,499.56	25.64	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37	1,335.87	1,472.29			(6.85)		1,329.02	1,469.23	3.79	0.00
GNMA	2004 CDEF Single Family				2,021.07	2,212.66			(2,021.07)				(191.59)	0.00
GNMA	2004 CDEF Single Family	5.38	09/25/07	09/20/37	15,738.32	17,308.82			(82.45)		15,655.87	17,132.13	(94.24)	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37	16,127.61	17,736.93			(85.61)		16,042.00	17,532.14	(119.18)	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	08/20/37	5,779.76	6,363.76			(1,960.72)		3,819.04	4,211.48	(191.56)	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	09/20/37	2,561.17	2,822.62			(13.02)		2,548.15	2,816.50	6.90	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37	14,543.16	15,943.03			(2,380.97)		12,162.19	13,275.27	(286.79)	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37	1,951.31	2,148.03			(8.76)		1,942.55	2,141.46	2.19	0.00
GNMA	2004 CDEF Single Family	5.38	08/23/07	08/20/37	12,482.46	13,727.58			(72.30)		12,410.16	13,581.90	(73.38)	0.00
GNMA	2004 CDEF Single Family	5.13	08/23/07	07/20/37	13,169.49	14,482.93			(65.00)		13,104.49	14,338.00	(79.93)	0.00
GNMA	2004 CDEF Single Family	5.38	09/11/07	09/20/37	3,457.42	3,802.37			(19.41)		3,438.01	3,762.98	(19.98)	0.00
GNMA	2004 CDEF Single Family	5.63	09/11/07	08/20/37	6,065.36	6,678.16			(27.14)		6,038.22	6,665.35	14.33	0.00
GNMA	2004 CDEF Single Family	5.13	09/11/07	08/20/37	2,745.78	2,968.47			(13.28)		2,732.50	2,950.01	(5.18)	0.00
GNMA	2004 CDEF Single Family	5.13	12/11/07	11/20/37	5,450.52	5,893.11			(49.27)		5,401.25	5,830.14	(13.70)	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	6,462.53	7,075.03			(29.65)		6,432.88	7,033.35	(12.03)	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37	15,550.89	17,103.24			(85.22)		15,465.67	16,913.61	(104.41)	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	09/20/36	2,177.03	2,396.42			(10.37)		2,166.66	2,389.05	3.00	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	11,391.76	12,543.33			(3,503.68)		7,888.08	8,631.15	(408.50)	0.00
GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37	9,564.69	10,485.69			(43.78)		9,520.91	10,395.39	(46.52)	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37	7,708.66	8,439.37			(36.32)		7,672.34	8,383.01	(20.04)	0.00
GNMA	2004 CDEF Single Family	5.38	12/28/07	11/20/37	3,587.57	3,927.80			(16.17)		3,571.40	3,891.85	(19.78)	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	1,360.88	1,496.48			(6.01)		1,354.87	1,494.33	3.86	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	12,164.79	13,395.43			(56.20)		12,108.59	13,367.39	28.16	0.00
GNMA	2004 CDEF Single Family	5.38	12/11/07	11/20/37	10,838.15	11,882.25			(49.48)		10,788.67	11,796.29	(36.48)	0.00
GNMA	2004 CDEF Single Family	5.38	12/20/07	11/20/37	1,539.77	1,685.84			(7.94)		1,531.83	1,674.35	(3.55)	0.00
GNMA	2004 CDEF Single Family				1,554.47	1,701.85			(1,554.47)				(147.38)	0.00
GNMA	2004 CDEF Single Family	5.38	01/16/08	12/20/37	882.76	973.47			(14.26)		868.50	955.43	(3.78)	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	12/20/37	3,769.15	4,144.98			(16.75)		3,752.40	4,136.94	8.71	0.00
GNMA	2004 CDEF Single Family				3,045.61	3,353.81			(3,045.61)				(308.20)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	5.63	01/30/08	01/20/38	1,354.07	1,489.07			(5.80)		1,348.27	1,487.11	3.84	0.00
GNMA	2004 CDEF Single Family	5.63	02/13/08	01/20/38	3,886.83	4,274.44			(17.22)		3,869.61	4,266.06	8.84	0.00
GNMA	2004 CDEF Single Family	5.38	02/19/08	12/20/37	2,566.37	2,832.62			(29.28)		2,537.09	2,791.16	(12.18)	0.00
GNMA	2004 CDEF Single Family	5.63	02/19/08	01/20/38	1,547.34	1,701.64			(6.84)		1,540.50	1,698.97	4.17	0.00
GNMA	2004 CDEF Single Family	5.13	02/27/08	02/20/38	1,282.83	1,402.30			(5.91)		1,276.92	1,394.12	(2.27)	0.00
GNMA	2004 CDEF Single Family	5.38	02/27/08	02/20/38	2,408.52	2,651.00			(14.18)		2,394.34	2,628.89	(7.93)	0.00
GNMA	2004 CDEF Single Family	5.13	03/20/08	10/20/37	2,064.79	2,260.76			(9.72)		2,055.07	2,245.81	(5.23)	0.00
GNMA	2004 CDEF Single Family	5.38	03/27/08	03/20/38	4,179.23	4,576.09			(18.88)		4,160.35	4,548.39	(8.82)	0.00
FNMA	2004 CDEF Single Family	5.63	07/03/07	07/01/37	4,510.45	4,906.79			(31.81)		4,478.64	4,876.96	1.98	0.00
FNMA	2004 CDEF Single Family	5.38	08/07/07	07/01/37	19,457.39	21,390.98			(115.51)		19,341.88	21,262.78	(12.69)	0.00
FNMA	2004 CDEF Single Family	5.63	08/07/07	07/01/37	3,331.80	3,639.32			(20.04)		3,311.76	3,620.85	1.57	0.00
FNMA	2004 CDEF Single Family	5.13	08/07/07	08/01/37	19,718.82	21,622.88			(2,466.51)		17,252.31	18,881.47	(274.90)	0.00
FNMA	2004 CDEF Single Family	5.13	08/29/07	08/01/37	4,178.82	4,546.88			(20.95)		4,157.87	4,499.52	(26.41)	0.00
FNMA	2004 CDEF Single Family	5.38	08/23/07	07/01/37	9,563.68	10,490.18			(47.09)		9,516.59	10,465.76	22.67	0.00
FNMA	2004 CDEF Single Family	5.38	09/11/07	08/01/37	8,771.41	9,656.06			(43.15)		8,728.26	9,587.58	(25.33)	0.00
FNMA	2004 CDEF Single Family	5.13	09/11/07	09/01/37	1,648.16	1,791.27			(7.85)		1,640.31	1,775.13	(8.29)	0.00
FNMA	2004 CDEF Single Family	5.63	09/11/07	08/01/37	3,083.08	3,367.76			(1,335.53)		1,747.55	1,910.71	(121.52)	0.00
FNMA	2004 CDEF Single Family	5.38	09/25/07	09/01/37	16,837.25	18,469.03			(86.85)		16,750.40	18,397.38	15.20	0.00
FNMA	2004 CDEF Single Family	5.63	09/25/07	07/01/37	1,325.24	1,447.59			(15.98)		1,309.26	1,431.46	(0.15)	0.00
FNMA	2004 CDEF Single Family	5.13	09/25/07	09/01/37	8,644.04	9,479.14			(52.05)		8,591.99	9,412.61	(14.48)	0.00
FNMA	2004 CDEF Single Family				1,476.51	1,614.19			(1,476.51)				(137.68)	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37	7,487.35	8,210.74			(2,463.99)		5,023.36	5,452.92	(293.83)	0.00
FNMA	2004 CDEF Single Family				1,813.98	1,975.35			(1,813.98)				(161.37)	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37	18,011.51	19,757.68			(97.53)		17,913.98	19,693.46	33.31	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37	11,781.45	12,924.57			(59.72)		11,721.73	12,818.73	(46.12)	0.00
FNMA	2004 CDEF Single Family	5.38	11/08/07	09/01/37	7,458.29	8,197.07			(41.44)		7,416.85	8,165.85	10.22	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37	5,543.84	6,058.13			(2,359.06)		3,184.78	3,454.26	(244.81)	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37	4,535.25	4,964.77			(20.72)		4,514.53	4,903.84	(40.21)	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37	5,410.22	5,884.54			(26.67)		5,383.55	5,819.44	(38.43)	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	11/01/37	10,903.93	11,961.34			(54.17)		10,849.76	11,915.36	8.19	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	10/01/37	12,372.66	13,572.60			(2,332.21)		10,040.45	10,978.64	(261.75)	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	11/01/37	5,202.71	5,655.65			(2,941.71)		2,261.00	2,443.11	(270.83)	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	11/01/37	1,799.43	1,967.38			(8.30)		1,791.13	1,944.28	(14.80)	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	12/01/37	3,813.81	4,162.11			(20.28)		3,793.53	4,114.43	(27.40)	0.00
FNMA	2004 CDEF Single Family	5.13	12/20/07	11/01/37	2,552.71	2,777.07			(12.64)		2,540.07	2,750.70	(13.73)	0.00
FNMA	2004 CDEF Single Family	5.38	12/20/07	10/01/37	1,479.40	1,622.69			(8.32)		1,471.08	1,603.48	(10.89)	0.00
FNMA	2004 CDEF Single Family	5.63	12/28/07	10/01/37	14,443.85	15,910.47			(3,654.16)		10,789.69	11,875.24	(381.07)	0.00
FNMA	2004 CDEF Single Family	5.13	01/16/08	12/01/37	2,703.27	2,937.05			(12.63)		2,690.64	2,909.80	(14.62)	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	3,454.50	3,767.79			(24.86)		3,429.64	3,722.94	(19.99)	0.00
FNMA	2004 CDEF Single Family	5.38	01/30/08	11/01/37	1,328.87	1,452.95			(6.02)		1,322.85	1,435.51	(11.42)	0.00
FNMA	2004 CDEF Single Family	5.38	02/19/08	12/01/37	2,151.55	2,352.49			(9.70)		2,141.85	2,325.14	(17.65)	0.00
FNMA	2004 CDEF Single Family	5.13	02/19/08	01/01/38	2,095.77	2,301.01			(17.10)		2,078.67	2,267.16	(16.75)	0.00
FNMA	2004 CDEF Single Family	5.13	02/27/08	02/01/38	1,440.41	1,564.81			(6.96)		1,433.45	1,545.81	(12.04)	0.00
FNMA	2004 CDEF Single Family	5.38	03/20/08	11/01/37	365.50	400.94			(48.42)		317.08	343.20	(9.32)	0.00
<b>2004 CDEF Single Family Total</b>					<b>42,265,056.04</b>	<b>45,370,059.31</b>	<b>1,151,252.21</b>	<b>0.00</b>	<b>(2,989,650.32)</b>	<b>0.00</b>	<b>40,426,657.93</b>	<b>42,545,067.11</b>	<b>(986,594.09)</b>	<b>0.00</b>
Repo Agmt	2005 BCD Single Family	0.02	08/30/13	09/03/13	37,643.40	37,643.40	35,683.98				73,327.38	73,327.38	-	0.00
Repo Agmt	2005 BCD Single Family	0.02	08/30/13	09/03/13	575,637.38	575,637.38	19,892.28				595,529.66	595,529.66	-	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	5,006.15	5,518.41			(2,184.50)		2,821.65	3,090.16	(243.75)	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	3,743.41	4,113.45			(18.70)		3,724.71	4,073.20	(21.55)	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	7,679.22	8,428.81			(74.41)		7,604.81	8,356.22	1.82	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	11,873.85	13,074.10			(63.62)		11,810.23	12,964.38	(46.10)	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	31,460.66	34,611.37			(3,283.38)		28,177.28	30,884.16	(443.83)	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	15,019.02	16,538.78			(2,388.17)		12,630.85	13,927.09	(223.52)	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	24,139.90	26,565.46			(136.30)		24,003.60	26,351.80	(77.36)	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	15,548.55	17,096.19			(2,264.51)		13,284.04	14,507.16	(324.52)	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	17,064.65	18,773.89			(93.54)		16,971.11	18,614.52	(65.83)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	2,461.84	2,710.97			(12.21)		2,449.63	2,705.95	7.19	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	24,790.27	27,273.52			(2,409.94)		22,380.33	24,530.61	(332.97)	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	44,657.58	49,074.57			(6,728.67)		37,928.91	41,487.69	(858.21)	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	5,190.36	5,715.64			(25.89)		5,164.47	5,702.68	12.93	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	20,000.84	22,004.40			(105.79)		19,895.05	21,822.04	(76.57)	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	22,450.99	24,728.36			(173.53)		22,277.46	24,469.87	(84.96)	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	32,114.33	35,331.86			(187.74)		31,926.59	34,988.56	(155.56)	0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	12,983.40	14,297.69			(2,283.10)		10,700.30	11,789.55	(225.04)	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	34,609.10	38,076.57			(5,846.04)		28,763.06	31,407.27	(823.26)	0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	32,359.25	35,642.52			(5,340.02)		27,019.23	29,473.75	(828.75)	0.00
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	31,455.31	34,567.49			(2,743.69)		28,711.62	31,424.73	(399.07)	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	11,674.82	12,844.75			(59.70)		11,615.12	12,826.11	41.06	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	34,094.43	37,510.96			(2,491.83)		31,602.60	34,640.71	(378.42)	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	24,448.48	26,821.41			(135.29)		24,313.19	26,670.61	(15.51)	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	16,325.71	17,933.12			(81.33)		16,244.38	17,767.30	(84.49)	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	22,191.90	24,415.87			(121.40)		22,070.50	24,208.70	(85.77)	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	13,026.58	14,332.29			(66.18)		12,960.40	14,299.81	33.70	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	17,096.61	18,788.58			(89.77)		17,006.84	18,600.41	(98.40)	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	30,512.78	33,571.22			(167.60)		30,345.18	33,288.67	(114.95)	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	31,528.44	34,688.91			(166.11)		31,362.33	34,377.77	(145.03)	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	3,149.52	3,513.50			(15.48)		3,134.04	3,507.37	9.35	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	11,302.56	12,449.78			(2,322.21)		8,980.35	9,764.77	(362.80)	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	23,456.72	25,808.23			(181.94)		23,274.78	25,510.20	(116.09)	0.00
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	3,324.83	3,657.39			(15.94)		3,308.89	3,645.79	4.34	0.00
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36	22,813.78	25,131.99			(2,790.30)		20,023.48	21,980.82	(360.87)	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	14,518.54	15,974.26			(76.05)		14,442.49	15,935.83	37.62	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	21,324.63	23,489.51			(128.05)		21,196.58	23,303.61	(57.85)	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	40,524.77	44,537.51			(4,110.17)		36,414.60	39,910.29	(517.05)	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	8,274.50	9,104.24			(40.13)		8,234.37	9,085.54	21.43	0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	15,944.26	17,482.83			(83.33)		15,860.93	17,358.57	(40.93)	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	11,439.82	12,543.87			(57.03)		11,382.79	12,439.10	(47.74)	0.00
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36	7,596.29	8,365.99			(42.62)		7,553.67	8,342.47	19.10	0.00
GNMA	2005 BCD Single Family	5.13	01/09/07	01/20/37	10,977.16	12,064.35			(56.37)		10,920.79	11,953.20	(54.78)	0.00
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36	12,947.63	14,238.18			(80.27)		12,867.36	14,105.02	(52.89)	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	6,542.33	7,198.54			(34.57)		6,507.76	7,187.45	23.48	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	23,986.63	26,350.63			(4,040.55)		19,946.08	21,777.30	(532.78)	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	18,574.13	20,437.47			(97.33)		18,476.80	20,255.90	(84.24)	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	5,680.77	6,250.66			(27.15)		5,653.62	6,238.38	14.87	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	15,185.37	16,661.19			(78.76)		15,106.61	16,562.19	(20.24)	0.00
GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37	13,808.89	15,211.81			(3,121.21)		10,687.68	11,669.88	(420.72)	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	2,210.67	2,431.92			(10.22)		2,200.45	2,425.20	3.50	0.00
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	5,742.65	6,218.03			(39.94)		5,702.71	6,145.49	(32.60)	0.00
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	4,122.00	4,490.70			(27.59)		4,094.41	4,416.12	(46.99)	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	3,998.40	4,329.42			(22.94)		3,975.46	4,284.17	(22.31)	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	6,179.42	6,721.45			(33.00)		6,146.42	6,692.11	3.66	0.00
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	4,415.18	4,810.14			(52.96)		4,362.22	4,705.00	(52.18)	0.00
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	16,968.88	18,590.21			(5,801.67)		11,167.21	12,158.70	(629.84)	0.00
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	3,471.36	3,775.87			(16.95)		3,454.41	3,761.11	2.19	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	11,768.85	12,851.03			(69.57)		11,699.28	12,746.93	(34.53)	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	6,807.54	7,493.52			(58.57)		6,748.97	7,435.24	0.29	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	3,989.15	4,339.16			(22.68)		3,966.47	4,318.74	2.26	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	9,599.42	10,570.97			(153.57)		9,445.85	10,416.03	(1.37)	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	3,918.47	4,242.94			(22.28)		3,896.19	4,198.79	(21.87)	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	6,812.88	7,376.95			(36.24)		6,776.64	7,302.90	(37.81)	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	10,940.65	11,950.21			(57.76)		10,882.89	11,908.57	16.12	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	3,411.83	3,711.16			(16.47)		3,395.36	3,696.86	2.17	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	16,577.92	18,154.06			(144.22)		16,433.70	17,957.43	(52.41)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	8,084.73	8,901.00			(71.46)		8,013.27	8,834.50	4.96	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	13,757.93	15,027.67			(3,248.28)		10,509.65	11,443.05	(336.34)	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	9,655.08	10,553.96			(2,684.44)		6,970.64	7,512.14	(357.38)	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	3,355.17	3,649.59			(1,719.53)		1,635.64	1,780.94	(149.12)	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	6,287.29	6,867.26			(89.20)		6,198.09	6,779.93	1.87	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	14,386.93	15,714.82			(113.34)		14,273.59	15,626.32	24.84	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	5,657.68	6,154.12			(2,010.73)		3,646.95	3,970.84	(172.55)	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	7,162.80	7,756.05			(38.25)		7,124.55	7,678.04	(39.76)	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	8,437.81	9,220.76			(43.56)		8,394.25	9,186.84	9.64	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	2,479.76	2,697.40			(12.15)		2,467.61	2,686.83	1.58	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	2,225.91	2,422.98			(19.33)		2,206.58	2,378.57	(25.08)	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	2,839.49	3,074.67			(14.61)		2,824.88	3,044.33	(15.73)	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	2,146.96	2,328.42			(11.25)		2,135.71	2,302.84	(14.33)	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	1,245.08	1,354.40			(5.98)		1,239.10	1,349.22	0.80	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	6,998.92	7,645.67			(518.72)		6,480.20	7,101.50	(25.45)	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	5,279.90	5,800.38			(34.59)		5,245.31	5,752.49	(13.30)	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	3,739.73	4,049.57			(29.85)		3,709.88	3,998.46	(21.26)	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	16,849.40	18,433.52			(3,340.24)		13,509.16	14,709.33	(383.95)	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	4,953.85	5,388.72			(33.13)		4,920.72	5,357.92	2.33	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	1,048.86	1,135.76			(6.62)		1,042.24	1,123.25	(5.89)	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	16,277.68	17,938.70			(1,206.84)		15,070.84	16,564.74	(167.12)	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	4,885.12	5,377.60			(35.01)		4,850.11	5,322.73	(19.86)	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	4,740.80	5,139.72			(24.52)		4,716.28	5,082.82	(32.38)	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	20,608.88	22,512.18			(104.65)		20,504.23	22,452.50	44.97	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	11,399.09	12,503.09			(76.31)		11,322.78	12,420.46	(6.32)	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	1,160.15	1,258.01			(6.01)		1,154.14	1,244.49	(7.51)	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	9,841.11	10,775.98			(80.74)		9,760.37	10,736.99	41.75	0.00
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	2,434.03	2,647.70			(29.21)		2,404.82	2,618.48	(0.01)	0.00
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37	6,885.37	7,456.03			(38.17)		6,847.20	7,379.53	(38.33)	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	3,090.78	3,354.88			(16.21)		3,074.57	3,321.38	(17.29)	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	7,712.40	8,459.43			(2,029.26)		5,683.14	6,228.62	(201.55)	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	118,257.65	135,149.63			(1,824.08)		116,433.57	131,484.02	(1,841.53)	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	123,082.26	140,561.18			(2,412.01)		120,670.25	136,133.18	(2,015.99)	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	78,549.79	88,488.10			(4,366.85)		74,182.94	83,376.76	(744.49)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	105,490.42	118,855.72			(2,354.75)		103,135.67	115,935.45	(565.52)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	85,606.38	93,659.21			(1,503.38)		84,103.00	92,034.37	(121.46)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	25,909.44	28,932.71			(1,177.29)		24,732.15	27,019.67	(735.75)	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	108,667.43	123,439.24			(2,688.54)		105,978.89	118,996.30	(1,754.40)	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	73,318.78	81,887.08			(930.21)		72,388.57	79,188.33	(1,768.54)	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	40,213.10	44,891.90			(475.69)		39,737.41	43,426.64	(989.57)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	83,362.03	93,701.40			(1,058.70)		82,303.33	92,313.85	(328.85)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	580,866.74	646,049.72			(8,866.01)		572,000.73	631,595.41	(5,588.30)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	86,325.25	96,014.61			(1,112.42)		85,212.83	94,087.60	(814.59)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	362,529.61	403,200.91			(7,323.47)		355,206.14	392,192.78	(3,684.66)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	121,482.49	134,972.51			(2,403.94)		119,078.55	131,515.23	(1,053.34)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	394,692.06	438,952.30			(7,171.16)		387,520.90	427,896.40	(3,884.74)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	179,930.27	200,136.91			(45,348.61)		134,581.66	148,171.01	(6,617.29)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	598,836.95	666,045.18			(10,110.15)		588,726.80	650,054.18	(5,880.85)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	187,402.91	208,406.90			(2,560.40)		184,842.51	204,096.17	(1,750.33)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	708,579.26	787,937.05			(53,499.64)		655,079.62	723,149.66	(11,287.75)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	374,818.00	415,578.22			(8,350.99)		366,467.01	403,472.46	(3,754.77)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	163,776.79	181,558.76			(3,900.27)		159,876.52	175,937.71	(1,720.78)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	70,964.50	78,690.87			(1,976.47)		68,988.03	75,940.95	(773.45)	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	608,123.94	674,191.87			(11,396.55)		596,727.39	656,833.52	(5,961.80)	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	74,533.39	82,613.88			(2,570.38)		71,963.01	79,163.94	(879.56)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	378,497.54	419,538.57			(5,881.57)		372,615.97	410,064.37	(3,592.63)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	154,778.82	171,568.19			(4,880.58)		149,898.24	165,119.82	(1,567.79)	0.00



**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	159,509.95	176,980.07			(2,445.28)		157,064.67	173,038.95	(1,495.84)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	51,987.86	57,769.80			(585.82)		51,402.04	56,709.28	(474.70)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	196,725.28	218,003.00			(2,562.57)		194,162.71	213,663.63	(1,776.80)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	125,119.00	138,585.56			(1,627.18)		123,491.82	135,805.20	(1,153.18)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	66,983.54	74,382.40			(826.91)		66,156.63	72,937.68	(617.81)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	200,781.48	223,410.58			(4,122.81)		196,658.67	217,256.58	(2,031.19)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	220,589.18	244,424.55			(3,325.59)		217,263.59	239,025.26	(2,073.70)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	73,648.85	81,805.44			(750.56)		72,898.29	80,421.39	(633.49)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	45,855.62	50,791.05			(684.98)		45,170.64	49,685.89	(420.18)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	89,231.67	99,058.74			(54,708.02)		34,523.65	37,966.33	(6,384.39)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	45,384.48	50,410.79			(458.45)		44,926.03	49,546.20	(406.14)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	97,013.86	107,758.13			(1,050.63)		95,963.23	105,842.66	(864.84)	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	162,909.45	180,951.66			(2,133.52)		160,775.93	177,342.27	(1,475.87)	0.00
<b>2005 BCD Single Family Total</b>					<b>9,261,062.32</b>	<b>10,215,816.04</b>	<b>55,576.26</b>	<b>0.00</b>	<b>(352,847.67)</b>	<b>0.00</b>	<b>8,963,790.91</b>	<b>9,817,642.77</b>	<b>(100,901.86)</b>	<b>0.00</b>
Repo Agmt	2006 ABCDE Single Family	0.02	08/30/13	09/03/13	84,482.37	84,482.37	4.11				84,486.48	84,486.48	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	8,374,568.38	8,374,568.38		(5,679,082.12)			2,695,486.26	2,695,486.26	-	0.00
Repo Agmt	2006 ABCDE Single Family	0.02	08/30/13	09/03/13	2,749,294.81	2,749,294.81	5,752,466.16				8,501,760.97	8,501,760.97	-	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	147,360.23	168,198.42			(2,433.51)		144,926.72	163,388.91	(2,376.00)	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	102,375.89	116,499.66			(2,586.02)		99,789.87	109,088.28	(4,825.36)	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	154,362.51	176,681.75			(2,528.51)		151,834.00	171,593.64	(2,559.60)	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	65,064.40	73,596.29			(1,003.30)		64,061.10	72,205.19	(387.80)	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	36,422.61	41,198.68			(2,717.08)		33,705.53	37,990.48	(491.12)	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	85,269.98	94,546.52			(4,554.57)		80,715.41	89,772.52	(219.43)	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	1,164,149.08	1,289,446.46			(75,228.43)		1,088,920.65	1,197,638.44	(16,579.59)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	425,411.59	471,198.55			(5,349.32)		420,062.27	461,992.79	(3,856.44)	0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	180,554.13	200,438.51			(2,156.70)		178,397.43	196,681.34	(1,600.47)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	334,713.50	370,738.62			(5,690.60)		329,022.90	361,842.81	(3,205.21)	0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	315,386.15	349,930.32			(64,518.28)		250,867.87	275,101.63	(10,310.41)	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	50,771.15	56,235.67			(681.11)		50,090.04	55,111.60	(442.96)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	676,648.79	749,476.46			(9,028.00)		667,620.79	734,322.71	(6,125.75)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	179,999.62	199,823.05			(2,016.17)		177,983.45	196,201.92	(1,604.96)	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	186,791.79	206,896.18			(6,880.43)		179,911.36	197,942.05	(2,073.70)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	221,847.60	245,725.01			(3,407.77)		218,439.83	240,237.89	(2,079.35)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	371,467.51	412,377.18			(64,566.12)		306,901.39	336,514.24	(11,296.82)	0.00
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	597,198.53	661,475.04			(10,881.26)		586,317.27	644,808.28	(5,785.50)	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	594,583.86	658,578.83			(8,908.02)		585,675.84	644,161.34	(5,509.47)	0.00
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	177,897.86	197,489.76			(1,943.71)		175,954.15	194,005.30	(1,540.75)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	41,990.29	46,509.70			(555.92)		41,434.37	45,585.26	(368.52)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	227,320.35	251,786.80			(3,854.24)		223,466.11	245,759.04	(2,173.52)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	163,730.55	181,762.21			(1,843.17)		161,887.38	178,440.38	(1,478.66)	0.00
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	52,626.39	58,290.53			(656.98)		51,969.41	57,179.82	(453.73)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	217,427.10	240,828.74			(4,201.08)		213,226.02	234,503.81	(2,123.85)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	203,935.53	226,394.91			(2,513.97)		201,421.56	222,047.08	(1,833.86)	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	119,750.67	132,938.80			(1,311.31)		118,439.36	130,611.36	(1,016.13)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	208,338.67	231,157.93			(2,448.05)		205,890.62	226,951.11	(1,758.77)	0.00
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	367,624.29	407,191.71			(5,911.73)		361,712.56	397,818.74	(3,461.24)	0.00
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	636,600.67	705,117.96			(10,461.75)		626,138.92	688,759.02	(5,897.19)	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	125,682.08	139,209.26			(1,834.37)		123,847.71	136,218.87	(1,156.02)	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	180,662.86	200,107.90			(2,754.61)		177,908.25	195,720.71	(1,632.58)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	298,110.59	330,196.27			(5,433.59)		292,677.00	321,892.07	(2,870.61)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/28	72,761.03	80,819.05			(749.11)		72,011.92	79,449.77	(620.17)	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	95,936.48	106,501.96			(1,294.57)		94,641.91	104,364.47	(842.92)	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	139,898.25	154,955.49			(4,369.09)		135,529.16	149,437.15	(1,149.25)	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	108,323.40	120,320.18			(1,069.99)		107,253.41	118,331.57	(918.62)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	58,721.19	65,041.34			(1,390.28)		57,330.91	63,068.59	(582.47)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	32,021.47	34,872.98			(2,564.60)		29,456.87	31,815.78	(492.60)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value	Ending Market Value	Change In Market Value	Recognized Gain
		Rate	Date	Date	05/31/13	05/31/13					08/31/13	08/31/13	Value	Gain
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	79,855.56	88,450.43			(1,672.51)		78,183.05	86,016.23	(761.69)	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	400,879.80	445,277.26			(4,185.99)		396,693.81	437,600.89	(3,490.38)	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	32,046.79	35,595.96			(312.84)		31,733.95	35,016.82	(266.30)	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	234,055.51	256,882.91			(3,004.25)		231,051.26	252,765.42	(1,113.24)	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	302,700.53	332,222.90			(3,867.37)		298,833.16	326,893.59	(1,461.94)	0.00
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	135,405.41	148,822.75			(2,439.04)		132,966.37	145,660.69	(723.02)	0.00
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	99,667.15	109,543.22			(1,295.94)		98,371.21	107,750.96	(496.32)	0.00
GNMA	2006 ABCDE Single Family	5.45	08/26/99	07/20/29	199,566.65	219,341.66			(4,074.96)		195,491.69	212,634.30	(2,632.40)	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	90,481.16	101,152.50			(866.82)		89,614.34	99,471.91	(813.77)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	39,444.23	44,046.97			(339.88)		39,104.35	43,372.19	(334.90)	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	52,303.32	57,322.83			(513.33)		51,789.99	56,564.98	(244.52)	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	558,697.05	613,186.79			(7,526.31)		551,170.74	602,947.72	(2,712.76)	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	166,426.20	184,857.92			(7,236.55)		159,189.65	175,618.05	(2,003.32)	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	142,399.48	155,172.67			(1,622.72)		140,776.76	152,948.28	(601.67)	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	82,990.82	94,210.34			(936.80)		82,054.02	92,566.78	(706.76)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	241,537.25	266,019.49			(105,400.20)		136,137.05	148,963.96	(11,655.33)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	171,179.90	188,104.06			(854.72)		170,325.18	186,263.46	(985.88)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	351,163.12	385,441.26			(3,402.64)		347,760.48	382,121.71	(83.09)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	572,892.45	630,246.64			(3,074.52)		569,817.93	624,957.65	(2,214.47)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	1,438,663.52	1,582,742.53			(150,145.56)		1,288,517.96	1,412,300.97	(20,296.00)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	686,806.47	756,301.58			(109,208.69)		577,597.78	636,871.87	(10,221.02)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	1,164,712.34	1,280,607.73			(6,586.79)		1,158,125.55	1,270,308.21	(3,712.73)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	711,018.98	781,791.42			(103,553.04)		607,465.94	663,397.81	(14,840.57)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	823,559.05	906,048.54			(4,514.93)		819,044.12	898,357.17	(3,176.44)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	112,578.29	123,970.23			(558.05)		112,020.24	123,740.34	328.16	0.00
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	1,133,635.30	1,247,190.34			(110,203.78)		1,023,431.52	1,121,759.92	(15,226.64)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	2,155,223.90	2,368,391.96			(324,732.90)		1,830,491.00	2,002,240.87	(41,418.19)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/20/06	09/20/36	237,351.06	261,370.55			(1,183.66)		236,167.40	260,778.18	591.29	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	965,261.64	1,061,956.25			(5,105.66)		960,155.98	1,053,155.23	(3,695.36)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	1,026,662.40	1,130,802.63			(7,935.11)		1,018,727.29	1,118,982.41	(3,885.11)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	1,468,555.50	1,615,690.00			(8,584.82)		1,459,970.68	1,599,991.20	(7,113.98)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	593,716.59	653,818.74			(104,404.34)		489,312.25	539,124.10	(10,290.30)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	1,670,272.25	1,837,616.79			(282,136.03)		1,388,136.22	1,515,749.27	(39,731.49)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	1,479,756.61	1,629,896.29			(244,193.75)		1,235,562.86	1,347,804.46	(37,898.08)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	1,518,067.44	1,668,264.72			(132,413.05)		1,385,654.39	1,516,591.64	(19,260.03)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	533,878.63	587,377.35			(2,729.67)		531,148.96	586,524.89	1,877.21	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	1,559,103.64	1,715,337.88			(113,949.16)		1,445,154.48	1,584,084.23	(17,304.49)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	1,179,909.05	1,294,430.42			(6,529.93)		1,173,379.12	1,287,152.56	(747.93)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	746,558.93	820,063.22			(3,719.81)		742,839.12	812,480.43	(3,862.98)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	1,071,005.34	1,178,336.72			(5,858.55)		1,065,146.79	1,168,338.53	(4,139.64)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	595,692.21	655,401.12			(3,026.21)		592,666.00	653,915.99	1,541.08	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	781,810.53	859,182.64			(4,105.21)		777,705.32	850,577.79	(4,499.64)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	1,472,580.65	1,620,183.88			(8,088.99)		1,464,491.66	1,606,547.33	(5,547.56)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	1,441,764.46	1,586,288.49			(7,596.29)		1,434,168.17	1,572,060.46	(6,631.74)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	144,024.15	160,668.86			(707.83)		143,316.32	160,388.49	427.46	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	545,473.23	600,840.12			(112,071.92)		433,401.31	471,258.78	(17,509.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	1,072,652.77	1,180,183.80			(8,319.68)		1,064,333.09	1,166,555.45	(5,308.67)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	152,042.55	167,249.15			(728.55)		151,314.00	166,718.46	197.86	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36	1,043,331.68	1,149,260.20			(127,608.81)		915,722.87	1,005,160.52	(16,490.87)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	663,917.43	730,486.91			(3,477.72)		660,439.71	728,729.21	1,720.02	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	1,029,148.85	1,133,629.36			(6,180.11)		1,022,968.74	1,124,657.51	(2,791.74)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	1,853,156.08	2,036,654.89			(187,953.81)		1,665,202.27	1,825,056.86	(23,644.22)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	378,383.01	416,327.66			(1,835.28)		376,547.73	415,472.62	980.24	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	769,487.26	843,740.32			(4,021.13)		765,466.13	837,743.75	(1,975.44)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	523,130.93	573,618.38			(2,608.21)		520,522.72	568,827.54	(2,182.63)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	347,371.78	382,568.35			(1,949.16)		345,422.62	381,492.81	873.62	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	532,508.85	582,238.81			(2,763.00)		529,745.85	576,874.65	(2,601.16)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	592,082.06	651,097.37			(3,670.94)		588,411.12	645,008.22	(2,418.21)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37	299,172.61	329,181.94			(1,580.73)		297,591.88	328,674.79	1,073.58	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	1,157,621.95	1,271,710.07			(195,001.65)		962,620.30	1,050,996.39	(25,712.03)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	849,375.56	934,584.86			(4,450.25)		844,925.31	926,281.60	(3,853.01)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	259,776.02	285,836.74			(1,241.68)		258,534.34	285,275.14	680.08	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	694,413.17	761,899.50			(3,601.47)		690,811.70	757,371.93	(926.10)	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	666,432.54	734,138.55			(150,633.42)		515,799.12	563,201.43	(20,303.70)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	101,089.71	111,209.73			(467.13)		100,622.58	110,902.28	159.68	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	469,660.54	516,197.42			(83,478.61)		386,181.93	421,140.10	(11,578.71)	0.00
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37	568,227.57	626,681.48			(135,762.32)		432,465.25	471,857.48	(19,061.68)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	245,973.28	270,909.35			(1,306.69)		244,666.59	270,196.81	594.15	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	403,644.51	443,645.02			(2,020.09)		401,624.42	439,246.18	(2,378.75)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	156,500.66	172,170.71			(773.88)		155,726.78	171,607.59	210.76	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	70,550.21	77,615.21			(326.81)		70,223.40	77,398.34	109.94	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	624,481.02	687,166.39			(126,651.35)		497,829.67	543,694.09	(16,820.95)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	533,493.64	586,372.66			(181,321.20)		352,172.44	384,201.83	(20,849.63)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	374,482.08	411,592.63			(2,529.36)		371,952.72	407,159.06	(1,904.21)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	647,975.90	710,593.18			(3,364.20)		644,611.70	705,540.17	(1,688.81)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	472,863.24	520,348.10			(2,439.16)		470,424.08	518,999.54	1,090.60	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	394,229.62	433,818.10			(2,188.81)		392,040.81	429,828.28	(1,801.01)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	471,173.83	517,878.98			(124,921.27)		346,252.56	378,989.74	(13,967.97)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	146,781.06	161,480.87			(739.28)		146,041.78	160,948.04	206.45	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	249,543.76	274,286.16			(94,748.59)		154,795.17	169,475.15	(10,062.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	575,295.95	632,329.80			(2,813.58)		572,482.37	625,570.79	(3,945.43)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	635,604.82	698,296.92			(3,190.23)		632,414.59	692,209.55	(2,897.14)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	84,301.19	92,745.48			(386.25)		83,914.94	92,490.17	130.94	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	116,309.57	128,284.35			(790.64)		115,518.93	127,181.84	(311.87)	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	128,923.78	141,842.11			(629.50)		128,294.28	141,353.23	140.62	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	266,659.76	293,106.67			(1,363.34)		265,296.42	290,128.77	(1,614.56)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	719,553.72	790,927.38			(3,432.09)		716,121.63	783,225.84	(4,269.45)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	566,623.80	622,828.12			(2,797.56)		563,826.24	617,097.75	(2,932.81)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	438,710.82	482,232.56			(2,117.77)		436,593.05	477,496.56	(2,618.23)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	133,843.05	147,258.52			(626.33)		133,216.72	146,824.09	191.90	0.00
GNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	1,128,549.48	1,240,505.84			(5,947.83)		1,122,601.65	1,227,775.96	(6,782.05)	0.00
GNMA	2006 ABCDE Single Family				103,989.56	114,307.08			(103,989.56)				(10,317.52)	0.00
GNMA	2006 ABCDE Single Family				418,379.18	460,420.59			(107,039.18)		311,340.00	341,306.78	(12,074.63)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	78,053.92	85,879.16			(352.01)		77,701.91	85,631.70	104.55	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37	138,917.67	152,771.12			(647.20)		138,270.47	151,313.74	(810.18)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/07/07	08/20/37	520,427.01	572,987.19			(2,567.43)		517,859.58	571,592.50	1,172.74	0.00
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37	813,732.32	894,470.40			(135,059.64)		678,672.68	740,794.93	(18,615.83)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	362,728.49	398,722.18			(124,612.81)		238,115.68	260,461.56	(13,647.81)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	376,204.35	406,513.53			(1,825.06)		374,379.29	403,938.86	(749.61)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	209,269.14	230,039.22			(981.19)		208,287.95	227,820.13	(1,237.90)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	120,546.86	130,283.39			(631.14)		119,915.72	129,415.67	(236.58)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37	61,087.00	67,326.66			(312.81)		60,774.19	67,186.79	172.94	0.00
GNMA	2006 ABCDE Single Family				92,421.42	101,183.08			(92,421.42)				(8,761.66)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37	719,698.07	791,515.05			(3,770.56)		715,927.51	783,434.96	(4,309.53)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/25/07	09/20/37	778,335.61	856,003.86			(4,131.41)		774,204.20	846,120.12	(5,752.33)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37	264,302.88	291,008.57			(89,661.62)		174,641.26	192,586.91	(8,760.04)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	09/20/37	117,119.98	129,075.56			(595.19)		116,524.79	128,795.95	315.58	0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37	665,043.91	729,058.66			(108,879.64)		556,164.27	607,064.43	(13,114.59)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37	89,232.15	98,227.62			(400.55)		88,831.60	97,927.30	100.23	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	570,811.35	627,748.45			(3,306.20)		567,505.15	621,086.42	(3,355.83)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	635,570.51	698,962.23			(3,136.95)		632,433.56	691,967.75	(3,857.53)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37	158,104.14	173,878.66			(887.33)		157,216.81	172,077.33	(914.00)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37	277,363.95	305,385.63			(1,240.78)		276,123.17	304,799.80	654.95	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37	132,516.86	143,262.03			(640.91)		131,875.95	142,370.86	(250.26)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.13	12/11/07	11/20/37	263,049.96	284,408.11			(2,377.60)		260,672.36	281,369.12	(661.39)	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	295,525.64	323,534.05			(1,355.59)		294,170.05	321,628.03	(550.43)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37	750,502.72	825,421.16			(4,112.95)		746,389.77	816,269.29	(5,038.92)	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/36	99,554.65	109,585.89			(474.36)		99,080.29	109,249.24	137.71	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	520,934.38	573,593.87			(160,219.36)		360,715.02	394,693.95	(18,680.56)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/08/07	10/20/37	437,383.28	479,500.21			(2,002.06)		435,381.22	475,370.66	(2,127.49)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/08/07	10/20/37	372,029.15	407,293.12			(1,753.24)		370,275.91	404,573.35	(966.53)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/28/07	11/20/37	164,054.81	179,614.57			(739.31)		163,315.50	177,970.57	(904.69)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	62,230.40	68,432.84			(275.34)		61,955.06	68,334.58	177.08	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	556,284.01	612,559.60			(2,570.50)		553,713.51	611,277.22	1,288.12	0.00
GNMA	2006 ABCDE Single Family	5.38	12/11/07	11/20/37	495,618.68	543,363.02			(2,262.51)		493,356.17	539,432.46	(1,668.05)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/20/07	11/20/37	70,414.04	77,091.86			(363.03)		70,051.01	76,566.34	(162.49)	0.00
GNMA	2006 ABCDE Single Family				75,018.68	82,133.76			(75,018.68)				(7,115.08)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/08	12/20/37	40,367.49	44,515.94			(651.79)		39,715.70	43,691.23	(172.92)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	12/20/37	172,361.20	189,545.88			(765.75)		171,595.45	189,178.40	398.27	0.00
GNMA	2006 ABCDE Single Family				139,270.94	153,366.57			(139,270.94)				(14,095.63)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	01/20/38	61,919.69	68,093.65			(265.64)		61,654.05	68,004.44	176.43	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/08	01/20/38	177,741.29	195,465.98			(787.04)		176,954.25	195,082.75	403.81	0.00
GNMA	2006 ABCDE Single Family	5.38	02/19/08	12/20/37	117,358.20	129,533.12			(1,338.81)		116,019.39	127,636.96	(557.35)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/19/08	01/20/38	70,757.98	77,814.59			(312.85)		70,445.13	77,692.42	190.68	0.00
GNMA	2006 ABCDE Single Family	5.13	02/27/08	02/20/38	61,809.36	67,676.62			(284.00)		61,525.36	67,281.75	(110.87)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/27/08	02/20/38	109,956.96	121,227.57			(645.53)		109,311.43	120,216.57	(365.47)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/08	10/20/37	99,648.12	109,106.81			(469.28)		99,178.84	108,385.50	(252.03)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/27/08	03/20/38	191,111.77	209,259.92			(863.73)		190,248.04	207,993.18	(403.01)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/08	04/20/38	112,898.16	123,622.93			(651.02)		112,247.14	122,755.82	(216.09)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/08	04/20/38	189,390.58	207,381.76			(864.08)		188,526.50	206,096.56	(421.12)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/22/08	03/20/38	118,257.63	129,490.46			(632.15)		117,625.48	128,621.19	(237.12)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/22/08	03/20/38	240,506.14	264,509.64			(1,153.37)		239,352.77	263,924.99	568.72	0.00
GNMA	2006 ABCDE Single Family	5.13	05/07/08	04/20/38	262,964.04	287,947.80			(1,239.17)		261,724.87	286,019.78	(688.85)	0.00
GNMA	2006 ABCDE Single Family	5.63	05/07/08	04/20/38	93,711.97	103,066.92			(406.18)		93,305.79	102,877.35	216.61	0.00
GNMA	2006 ABCDE Single Family	5.38	05/14/08	04/20/38	191,743.16	209,961.66			(902.76)		190,840.40	208,641.48	(417.42)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/21/08	05/20/38	110,155.69	118,977.94			(515.74)		109,639.95	118,264.87	(197.33)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/11/08	05/20/38	101,167.01	111,293.75			(650.20)		100,516.81	110,024.03	(619.52)	0.00
GNMA	2006 ABCDE Single Family	5.63	07/09/08	06/20/38	155,462.33	170,993.30			(662.35)		154,799.98	170,668.18	337.23	0.00
GNMA	2006 ABCDE Single Family	5.38	07/09/08	03/20/38	92,727.24	101,542.43			(407.87)		92,319.37	100,920.32	(214.24)	0.00
GNMA	2006 ABCDE Single Family				111,481.75	122,082.71			(111,481.75)				(10,600.96)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/18/08	03/20/38	26,865.70	29,548.55			(116.28)		26,749.42	29,513.30	81.03	0.00
GNMA	2006 ABCDE Single Family	5.63	06/25/08	05/20/38	171,175.39	188,272.70			(733.00)		170,442.39	187,965.53	425.83	0.00
GNMA	2006 ABCDE Single Family	5.38	06/25/08	05/20/38	112,889.32	123,620.98			(494.48)		112,394.84	122,866.00	(260.50)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/23/08	06/20/38	192,596.79	210,912.34			(837.29)		191,759.50	209,693.15	(381.90)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/27/08	08/20/38	232,894.80	255,053.68			(1,363.17)		231,531.63	253,151.66	(538.85)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/13/08	07/20/38	70,158.34	77,170.26			(290.39)		69,867.95	77,097.07	217.20	0.00
GNMA	2006 ABCDE Single Family	5.38	08/13/08	07/20/38	152,847.70	167,387.47			(657.04)		152,190.66	166,406.50	(323.93)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/10/08	09/20/38	274,294.14	300,397.75			(119,846.99)		154,447.15	168,883.16	(11,667.60)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/24/08	08/20/38	115,816.71	126,839.49			(520.61)		115,296.10	126,061.94	(256.94)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	09/20/38	101,287.71	110,928.35			(436.33)		100,851.38	110,326.15	(165.87)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	08/20/38	119,555.17	131,238.33			(532.06)		119,023.11	130,173.13	(533.14)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/12/08	10/20/38	265,241.82	291,172.38			(127,910.55)		137,331.27	150,189.52	(13,072.31)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/25/08	09/20/38	128,215.29	140,750.83			(630.43)		127,584.86	139,504.46	(615.94)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/25/08	11/20/38	375,861.68	412,613.72			(112,389.35)		263,472.33	288,122.07	(12,102.30)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/10/08	10/20/38	124,959.69	137,466.18			(513.09)		124,446.60	137,007.21	54.12	0.00
GNMA	2006 ABCDE Single Family	5.13	12/10/08	11/20/38	293,201.60	323,356.76			(8,381.37)		284,820.23	313,353.39	(1,622.00)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/17/08	11/20/38	191,046.66	210,214.37			(896.46)		190,150.20	208,205.81	(1,112.10)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	261,890.56	287,506.00			(1,135.62)		260,754.94	285,181.69	(1,188.69)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	115,967.13	127,309.19			(494.11)		115,473.02	126,259.22	(555.86)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	119,460.12	131,144.44			(712.98)		118,747.14	129,879.40	(552.06)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/17/08	12/20/38	206,196.31	226,364.26			(904.60)		205,291.71	224,475.08	(984.58)	0.00

**Texas Department of Housing and Community Affairs**  
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GNMA	2006 ABCDE Single Family				131,777.43	144,665.76			(131,777.43)				(12,888.33)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	12/20/38	382,342.20	419,439.75			(1,770.21)		380,571.99	415,902.37	(1,767.17)	0.00
GNMA	2006 ABCDE Single Family				119,180.45	130,836.76			(119,180.45)				(11,656.31)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/30/08	12/20/38	77,794.09	85,404.06			(336.33)		77,457.76	84,696.73	(371.00)	0.00
GNMA	2006 ABCDE Single Family				124,668.26	136,548.08			(124,668.26)				(11,879.82)	0.00
GNMA	2006 ABCDE Single Family	5.25	12/30/08	12/20/38	89,672.91	98,444.96			(390.52)		89,282.39	97,622.00	(432.44)	0.00
GNMA	2006 ABCDE Single Family	5.15	12/30/08	12/20/38	129,434.32	142,095.98			(559.17)		128,875.15	140,530.27	(1,006.54)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	262,607.43	284,344.39			(1,826.69)		260,780.74	281,027.36	(1,490.34)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	198,881.57	216,477.88			(1,332.65)		197,548.92	212,882.53	(2,262.70)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	182,844.22	197,979.90			(1,048.61)		181,795.61	195,910.95	(1,020.34)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	282,580.35	307,365.01			(1,509.49)		281,070.86	306,023.43	167.91	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	213,027.12	231,876.79			(2,557.04)		210,470.08	226,808.40	(2,511.35)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	775,969.56	850,111.45			(265,304.15)		510,665.41	556,005.08	(28,802.22)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	158,743.07	172,667.00			(775.68)		157,967.39	171,992.05	100.73	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	567,975.70	620,204.86			(3,357.40)		564,618.30	615,180.77	(1,666.69)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	311,298.40	342,671.40			(2,678.25)		308,620.15	340,006.32	13.17	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	182,423.04	198,425.68			(1,036.88)		181,386.16	197,491.63	102.83	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	438,973.54	483,399.80			(7,022.37)		431,951.17	476,314.44	(62.99)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	189,111.90	204,769.15			(1,075.91)		188,035.99	202,638.56	(1,054.68)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	311,545.66	337,340.61			(1,637.21)		309,888.45	333,954.52	(1,728.88)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	500,304.82	546,471.32			(2,647.70)		497,663.12	544,567.12	737.50	0.00
FNMA	2006 ABCDE Single Family	5.63	10/17/06	09/01/36	156,019.48	169,707.59			(753.36)		155,266.12	169,054.01	99.78	0.00
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	800,068.22	876,134.96			(6,960.01)		793,108.21	866,645.38	(2,529.57)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	369,708.48	407,033.58			(3,267.83)		366,440.65	403,992.70	226.95	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	629,136.51	687,200.11			(148,540.03)		480,596.48	523,279.03	(15,381.05)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	441,517.62	482,621.76			(122,756.84)		318,760.78	343,522.74	(16,342.18)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/02/06	10/01/36	153,429.75	166,892.23			(78,632.11)		74,797.64	81,440.59	(6,819.53)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	303,429.78	331,421.45			(4,304.95)		299,124.83	327,207.06	90.56	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	657,899.76	718,622.99			(5,183.11)		652,716.65	714,576.10	1,136.22	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	258,719.15	281,421.93			(91,948.71)		166,770.44	181,582.83	(7,890.39)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	345,685.25	374,315.47			(1,846.19)		343,839.06	370,550.66	(1,918.62)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	385,852.77	421,656.27			(1,991.92)		383,860.85	420,104.95	440.60	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	113,398.44	123,349.60			(555.36)		112,843.08	122,866.08	71.84	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	107,423.82	116,935.91			(932.23)		106,491.59	114,792.68	(1,211.00)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	129,846.68	140,601.49			(668.38)		129,178.30	139,214.38	(718.73)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	103,614.44	112,372.27			(543.27)		103,071.17	111,137.88	(691.12)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	56,938.79	61,935.48			(273.20)		56,665.59	61,698.85	36.57	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	320,052.85	349,628.94			(23,720.02)		296,332.83	324,744.50	(1,164.42)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	241,443.01	265,245.57			(1,582.23)		239,860.78	263,055.59	(607.75)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	180,983.49	195,436.61			(1,449.62)		179,533.87	192,970.19	(1,016.80)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	770,508.48	842,946.21			(152,745.06)		617,763.42	672,642.90	(17,558.25)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	226,537.25	246,420.76			(1,515.58)		225,021.67	245,012.35	107.17	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	50,620.26	54,813.40			(318.92)		50,301.34	54,209.69	(284.79)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	744,362.21	820,318.48			(55,187.64)		689,174.57	757,488.63	(7,642.21)	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	223,390.95	245,912.65			(1,600.71)		221,790.24	243,403.27	(908.67)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	228,797.26	248,048.64			(1,183.01)		227,614.25	245,302.40	(1,563.23)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36	937,579.24	1,029,458.98			(4,708.70)		932,870.54	1,026,730.11	1,979.83	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	521,268.64	571,753.75			(3,489.32)		517,779.32	567,975.33	(289.10)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	55,990.10	60,713.11			(290.24)		55,699.86	60,060.90	(361.97)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37	450,025.78	492,774.63			(3,692.42)		446,333.36	490,991.59	1,909.38	0.00
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	111,304.78	121,076.63			(1,336.06)		109,968.72	119,740.77	0.20	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	332,300.34	359,836.04			(1,841.90)		330,458.44	356,144.43	(1,849.71)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	141,675.03	153,415.57			(746.49)		140,928.54	151,883.47	(785.61)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	352,680.11	386,841.23			(92,795.72)		259,884.39	284,828.61	(9,216.90)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	417,048.01	455,429.92			(126,964.18)		290,083.83	312,632.21	(15,833.53)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	408,005.40	447,632.21			(6,872.28)		401,133.12	440,367.10	(392.83)	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	82,405.67	89,641.28			(387.31)		82,018.36	89,307.61	53.64	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

<b>Investment Type</b>	<b>Issue</b>	<b>Current Interest Rate</b>	<b>Current Purchase Date</b>	<b>Current Maturity Date</b>	<b>Beginning Carrying Value 05/31/13</b>	<b>Beginning Market Value 05/31/13</b>	<b>Accretions/Purchases</b>	<b>Amortizations/Sales</b>	<b>Maturities</b>	<b>Transfers</b>	<b>Ending Carrying Value 08/31/13</b>	<b>Ending Market Value 08/31/13</b>	<b>Change In Market Value</b>	<b>Recognized Gain</b>
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	109,171.91	119,491.53			(53,545.24)		55,626.67	60,570.70	(5,375.59)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	146,716.94	158,877.86			(977.47)		145,739.47	157,070.90	(829.49)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	803,801.97	878,049.16			(146,877.01)		656,924.96	715,319.32	(15,852.83)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	103,542.70	112,636.03			(77,336.43)		26,206.27	28,535.78	(6,763.82)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	366,850.86	400,622.69			(2,426.89)		364,423.97	397,706.81	(488.99)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	895,241.79	977,943.11			(120,453.00)		774,788.79	844,942.55	(12,547.56)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	268,408.57	292,195.92			(8,217.61)		260,190.96	280,424.75	(3,553.56)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	107,020.90	116,420.57			(534.93)		106,485.97	115,952.43	66.79	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	231,755.12	251,020.29			(1,153.76)		230,601.36	248,535.37	(1,331.16)	0.00
FNMA	2006 ABCDE Single Family	5.38	05/22/07	04/01/37	75,902.89	82,196.17			(427.68)		75,475.21	81,345.41	(423.08)	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	95,167.43	103,219.40			(531.15)		94,636.28	101,996.71	(691.54)	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	305,328.65	333,936.05			(1,775.49)		303,553.16	332,147.83	(12.73)	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	112,898.75	122,816.97			(676.91)		112,221.84	122,200.52	60.46	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	260,377.58	281,967.40			(1,947.82)		258,429.76	278,530.83	(1,488.75)	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	195,342.55	213,208.64			(1,800.22)		193,542.33	208,598.05	(2,810.37)	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	206,259.21	224,382.75			(1,455.05)		204,804.16	223,018.69	90.99	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	185,870.89	202,872.34			(118,536.37)		67,334.52	72,587.29	(11,748.68)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	889,766.96	978,187.95			(5,282.07)		884,484.89	972,325.39	(580.49)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	152,360.22	166,422.82			(915.90)		151,444.32	165,577.84	70.92	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	951,652.76	1,043,543.72			(119,036.26)		832,616.50	911,240.68	(13,266.78)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37	201,674.44	219,437.61			(1,011.03)		200,663.41	217,151.89	(1,274.69)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37	437,336.95	479,705.53			(2,153.21)		435,183.74	478,588.65	1,036.33	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37	401,109.47	441,561.95			(1,973.65)		399,135.82	438,430.65	(1,157.65)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37	79,542.41	86,448.61			(378.54)		79,163.87	85,670.03	(400.04)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37	140,986.74	154,004.42			(61,072.58)		79,914.16	87,374.88	(5,556.96)	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37	769,948.82	844,570.12			(3,970.92)		765,977.90	841,293.74	694.54	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37	60,601.06	66,196.85			(731.25)		59,869.81	65,459.53	(6.07)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37	417,172.86	457,473.67			(2,511.84)		414,661.02	454,262.66	(699.17)	0.00
FNMA	2006 ABCDE Single Family				67,519.00	73,815.39			(67,519.00)				(6,296.39)	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37	361,347.57	396,259.86			(118,915.13)		242,432.44	263,163.96	(14,180.77)	0.00
FNMA	2006 ABCDE Single Family				82,950.67	90,331.17			(82,950.67)				(7,380.50)	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37	823,647.56	903,498.73			(4,459.78)		819,187.78	900,562.03	1,523.08	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37	568,584.73	623,753.86			(2,882.54)		565,702.19	618,645.70	(2,225.62)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37	341,061.41	374,843.78			(1,895.81)		339,165.60	373,415.89	467.92	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37	267,552.53	292,372.06			(113,850.53)		153,702.00	166,706.34	(11,815.19)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37	207,391.35	227,033.77			(947.33)		206,444.02	224,247.85	(1,838.59)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37	261,103.79	283,994.51			(1,286.75)		259,817.04	280,852.49	(1,855.27)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37	498,625.73	546,980.38			(2,476.95)		496,148.78	544,877.37	373.94	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	10/01/37	565,787.42	620,661.38			(106,649.62)		459,137.80	502,041.94	(11,969.82)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	11/01/37	251,088.22	272,948.29			(141,969.95)		109,118.27	117,907.46	(13,070.88)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	11/01/37	82,287.05	89,966.27			(379.61)		81,907.44	88,910.30	(676.36)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	12/01/37	184,056.29	200,868.34			(978.76)		183,077.53	198,566.94	(1,322.64)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/20/07	11/01/37	123,199.45	134,024.41			(609.23)		122,590.22	132,752.05	(663.13)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/20/07	10/01/37	67,651.96	74,204.26			(380.45)		67,271.51	73,325.58	(498.23)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/28/07	10/01/37	660,503.47	727,569.89			(167,100.47)		493,403.00	543,042.87	(17,426.55)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/16/08	12/01/37	130,462.86	141,745.44			(608.97)		129,853.89	140,430.36	(706.11)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	166,718.88	181,838.25			(1,199.48)		165,519.40	179,673.46	(965.31)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/08	11/01/37	60,768.51	66,442.10			(274.86)		60,493.65	65,644.94	(522.30)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/19/08	12/01/37	98,388.89	107,577.11			(443.54)		97,945.35	106,326.56	(807.01)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/19/08	01/01/38	101,143.38	111,049.31			(825.00)		100,318.38	109,415.95	(808.36)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/27/08	02/01/38	69,515.48	75,519.96			(335.84)		69,179.64	74,602.62	(581.50)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/08	11/01/37	16,714.69	18,334.90			(2,214.23)		14,500.46	15,694.56	(426.11)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/08/08	03/01/38	143,554.82	157,657.96			(2,085.50)		141,469.32	154,167.67	(1,404.79)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/15/08	12/01/37	81,709.60	91,149.11			(3,590.12)		78,119.48	86,125.44	(1,433.55)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/15/08	01/01/38	118,301.68	129,355.57			(528.53)		117,773.15	128,164.57	(662.47)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/15/08	04/01/38	109,391.25	118,816.73			(500.20)		108,891.05	117,399.36	(917.17)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/29/08	04/01/38	144,473.81	158,297.64			(1,378.95)		143,094.86	155,942.42	(976.27)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Freddie Mac	2006 ABCDE Single Family	5.38	06/18/08	04/01/38	209,876.56	227,269.65			(973.75)		208,902.81	225,722.60	(573.30)	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	06/18/08	03/01/38	61,044.91	66,378.99			(320.81)		60,724.10	66,051.93	(6.25)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	06/25/08	12/01/37	118,946.22	128,229.96			(556.98)		118,389.24	127,633.75	(39.23)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	07/16/08	06/01/38	175,843.60	189,743.04			(1,192.01)		174,651.59	188,212.03	(339.00)	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	07/16/08	05/01/38	33,250.68	36,076.99			(148.97)		33,101.71	35,875.29	(52.73)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	07/23/08	03/01/38	75,475.25	81,731.56			(514.14)		74,961.11	80,859.10	(358.32)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	116,991.33	126,692.60			(507.29)		116,484.04	126,016.18	(169.13)	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	51,151.34	55,346.61			(677.36)		50,473.98	54,499.69	(169.56)	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	09/24/08	07/01/38	112,189.99	121,866.77			(465.02)		111,724.97	121,236.36	(165.39)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	10/22/08	03/01/38	169,865.32	183,138.93			(795.99)		169,069.33	181,629.81	(713.13)	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/19/08	10/01/38	154,130.07	166,134.56			(704.82)		153,425.25	165,311.01	(118.73)	0.00
Freddie Mac	2006 ABCDE Single Family	5.25	12/18/08	09/01/38	175,243.81	189,721.40			(1,779.25)		173,464.56	187,511.60	(430.55)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	2,198.01	2,464.52			(14.14)		2,183.87	2,436.07	(14.31)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	8,055.33	8,851.59			(4,854.91)		3,200.42	3,506.79	(489.89)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	7,720.19	8,670.77			(63.01)		7,657.18	8,549.44	(58.32)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	5,542.83	6,121.85			(2,431.65)		3,111.18	3,417.80	(272.40)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	4,963.22	5,571.19			(38.91)		4,924.31	5,494.80	(37.48)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,063.75	3,366.47			(21.23)		3,042.52	3,334.41	(10.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	4,621.76	5,191.31			(38.07)		4,583.69	5,120.03	(33.21)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	2,271.53	2,549.80			(14.69)		2,256.84	2,520.16	(14.95)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,219.69	2,448.08			(28.89)		2,190.80	2,409.59	(9.60)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	2,226.20	2,458.79			(25.15)		2,201.05	2,425.24	(8.40)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	3,616.25	4,054.87			(22.57)		3,593.68	4,006.85	(25.45)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,339.60	4,768.63			(36.49)		4,303.11	4,717.82	(14.32)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	13,285.26	14,913.38			(2,570.81)		10,714.45	11,844.86	(497.71)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	3,655.20	4,021.14			(37.26)		3,617.94	3,970.94	(12.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	2,204.19	2,475.68			(15.81)		2,188.38	2,443.64	(16.23)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	2,158.40	2,377.85			(33.52)		2,124.88	2,335.44	(8.89)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	4,482.05	4,930.89			(36.84)		4,445.21	4,879.04	(15.01)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	2,753.27	3,090.82			(19.37)		2,733.90	3,053.22	(18.23)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	9,003.13	9,893.53			(64.39)		8,938.74	9,800.55	(28.59)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,235.13	5,870.28			(33.65)		5,201.48	5,802.54	(34.09)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	4,452.02	4,892.37			(30.10)		4,421.92	4,848.30	(13.97)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	17,158.43	19,262.25			(136.05)		17,022.38	19,003.28	(122.92)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,341.61	4,771.08			(29.37)		4,312.24	4,727.54	(14.17)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	4,615.31	5,184.05			(34.01)		4,581.30	5,117.21	(32.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	4,488.06	5,041.13			(36.50)		4,451.56	4,972.26	(32.37)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	9,945.50	10,929.40			(72.42)		9,873.08	10,823.88	(33.10)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	8,080.04	9,075.93			(89.59)		7,990.45	8,925.18	(61.16)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	7,537.10	8,461.37			(51.12)		7,485.98	8,357.33	(52.92)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,167.88	5,679.32			(34.21)		5,133.67	5,628.34	(16.77)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	14,870.41	16,675.42			(2,600.14)		12,270.27	13,561.34	(513.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	3,912.57	4,387.53			(29.29)		3,883.28	4,330.56	(27.68)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	6,904.39	7,751.35			(44.92)		6,859.47	7,658.24	(48.19)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	2,000.30	2,243.20			(12.01)		1,988.29	2,217.42	(13.77)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	2,223.77	2,493.76			(14.52)		2,209.25	2,463.76	(15.48)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,017.27	5,626.54			(30.36)		4,986.91	5,561.62	(34.56)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	3,887.61	4,359.71			(24.68)		3,862.93	4,308.04	(26.99)	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	3,730.05	4,183.08			(23.39)		3,706.66	4,133.86	(25.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	1,274.42	1,420.88			(20.11)		1,254.31	1,390.33	(10.44)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,304.43	2,584.47			(14.17)		2,290.26	2,554.38	(15.92)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,151.66	2,413.21			(12.95)		2,138.71	2,385.43	(14.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	2,655.45	2,975.01			(15.64)		2,639.81	2,941.17	(18.20)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,591.08	2,906.12			(15.39)		2,575.69	2,872.90	(17.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	2,768.31	3,105.37			(23.42)		2,744.89	3,062.07	(19.88)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	15,795.73	17,381.37			(96.96)		15,698.77	17,225.67	(58.74)	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	11,598.28	12,762.40			(75.92)		11,522.36	12,642.76	(43.72)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value	Ending Market Value	Change In Market Value	Recognized Gain
		Rate	Date	Date	05/31/13	05/31/13					08/31/13	08/31/13		
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	17,458.55	19,024.74			(107.80)		17,350.75	18,876.19	(40.75)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	23,339.22	25,654.47			(7,963.42)		15,375.80	16,853.56	(837.49)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	4,869.09	5,357.89			(30.41)		4,838.68	5,309.33	(18.15)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	8,413.26	9,257.93			(53.89)		8,359.37	9,172.54	(31.50)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	4,236.00	4,661.37			(25.85)		4,210.15	4,619.83	(15.69)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	26,527.64	29,191.64			(158.60)		26,369.04	28,934.82	(98.22)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	4,677.52	5,142.96			(34.73)		4,642.79	5,090.15	(18.08)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	4,603.49	5,066.30			(28.11)		4,575.38	5,021.07	(17.12)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	12,928.29	14,088.97			(77.41)		12,850.88	13,981.58	(29.98)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	44,494.39	48,926.68			(297.93)		44,196.46	48,499.39	(129.36)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	14,107.37	15,239.91			(95.64)		14,011.73	14,810.41	(333.86)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	7,660.89	8,348.42			(47.63)		7,613.26	8,282.87	(17.92)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	13,413.55	14,256.27			(100.17)		13,313.38	13,879.72	(276.38)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	48,086.55	51,738.24			(359.56)		47,726.99	50,378.29	(1,000.39)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	10,946.68	12,033.13			(64.67)		10,882.01	11,928.41	(40.05)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	18,973.77	20,166.09			(136.78)		18,836.99	19,638.57	(390.74)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,035.38	3,336.60			(17.51)		3,017.87	3,308.07	(11.02)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	13,114.71	13,932.31			(91.80)		13,022.91	13,570.71	(269.80)	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,477.24	2,716.54			(18.47)		2,458.77	2,650.83	(47.24)	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	1,799.33	2,019.31			(71.05)		1,728.28	1,892.95	(55.31)	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	4,629.54	5,055.42			(25.97)		4,603.57	5,047.41	(17.96)	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	8,739.75	9,508.59			(57.65)		8,682.10	9,352.45	(98.49)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	2,780.14	3,062.36			(32.66)		2,747.48	3,018.19	(11.51)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	2,754.81	3,092.23			(18.34)		2,736.47	3,055.21	(18.68)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	4,735.37	5,203.22			(33.96)		4,701.41	5,154.23	(15.03)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	58,487.02	62,930.93			(7,491.26)		50,995.76	53,606.82	(1,832.85)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	38,759.78	41,622.59			(251.08)		38,508.70	40,583.70	(787.81)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	33,774.43	35,952.95			(263.75)		33,510.68	35,183.33	(505.87)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	98,020.32	105,297.70			(9,681.16)		88,339.16	93,200.79	(2,415.75)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	50,016.39	53,730.56			(9,622.84)		40,393.55	42,412.96	(1,694.76)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	35,336.56	37,555.70			(231.25)		35,105.31	36,858.99	(465.46)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	97,672.72	105,096.64			(21,302.27)		76,370.45	80,161.33	(3,633.04)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	51,885.87	55,829.90			(472.42)		51,413.45	54,252.02	(1,105.46)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	2,270.02	2,498.28			(17.02)		2,253.00	2,472.52	(8.74)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	50,572.37	54,416.74			(513.23)		50,059.14	52,823.11	(1,080.40)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	6,407.08	7,043.47			(36.50)		6,370.58	6,983.72	(23.25)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	81,664.14	87,091.16			(15,834.87)		65,829.27	68,516.39	(2,739.90)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	102,547.46	110,344.73			(783.15)		101,764.31	107,385.00	(2,176.58)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	36,066.20	38,746.21			(233.84)		35,832.36	37,750.69	(761.68)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	53,322.74	57,347.30			(382.63)		52,940.11	55,864.38	(1,100.29)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	43,218.06	46,429.76			(285.00)		42,933.06	45,231.73	(913.03)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	47,236.75	50,829.07			(10,705.36)		36,531.39	38,346.19	(1,777.52)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	58,520.13	62,971.36			(6,530.36)		51,989.77	54,703.54	(1,737.46)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	11,588.98	12,310.45			(5,737.60)		5,851.38	6,095.31	(477.54)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	5,572.91	6,133.77			(33.37)		5,539.54	6,079.75	(20.65)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	33,434.79	35,920.36			(228.04)		33,206.75	34,985.55	(706.77)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	26,374.60	28,335.44			(6,099.66)		20,274.94	21,120.20	(1,115.58)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	34,561.54	36,795.40			(7,294.01)		27,267.53	28,506.37	(995.02)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	14,202.20	15,320.18			(7,882.43)		6,319.77	6,670.16	(767.59)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	66,218.04	71,142.90			(420.84)		65,797.20	69,324.54	(1,397.52)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	34,834.63	37,425.55			(230.73)		34,603.90	36,459.13	(735.69)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	5,895.37	6,481.49			(33.49)		5,861.88	6,426.60	(21.40)	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	55,311.00	58,791.63			(357.47)		54,953.53	57,684.67	(749.49)	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	4,846.39	5,282.45			(28.97)		4,817.42	5,242.25	(11.23)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	1,922.22	2,114.03			(13.45)		1,908.77	2,093.25	(7.33)	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	6,697.63	7,115.02			(41.65)		6,655.98	6,933.90	(139.47)	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	3,326.42	3,657.21			(19.36)		3,307.06	3,625.74	(12.11)	0.00



**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	13,794.61	14,662.96			(101.75)		13,692.86	14,197.29	(363.92)	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	5,781.96	6,137.31			(38.39)		5,743.57	5,952.01	(146.91)	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	12,600.36	13,393.66			(97.52)		12,502.84	12,964.92	(331.22)	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	7,438.59	7,907.01			(62.70)		7,375.89	7,647.56	(196.75)	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	3,775.40	4,086.26			(21.53)		3,753.87	4,043.70	(21.03)	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	7,166.18	7,620.42			(103.96)		7,062.22	7,324.47	(191.99)	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	4,986.66	5,397.44			(28.83)		4,957.83	5,344.68	(23.93)	0.00
<b>2006 ABCDE Single Family Total</b>					130,370,262.56	142,053,673.61	5,752,470.27	(5,679,082.12)	(8,866,269.36)	0.00	121,577,381.35	131,976,175.16	(1,284,617.24)	0.00
Repo Agmt	2006 FGH Single Family	0.02	08/30/13	09/03/13	63,855.54	63,855.54	3.25				63,858.79	63,858.79	-	0.00
GIC's	2006 FGH Single Family	4.33	05/25/07	02/26/36	3,591,970.20	3,591,970.20		(239,367.33)			3,352,602.87	3,352,602.87	-	0.00
Repo Agmt	2006 FGH Single Family	0.02	08/30/13	09/03/13	1,677,870.81	1,677,870.81	755,679.73				2,433,550.54	2,433,550.54	-	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	3,256,908.49	3,583,641.24			(89,474.00)		3,167,434.49	3,472,516.55	(21,650.69)	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	32,269.33	35,690.36			(367.64)		31,901.69	35,207.54	(115.18)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	1,385,583.14	1,522,866.09			(219,120.78)		1,166,462.36	1,274,070.30	(29,675.01)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	170,830.75	187,755.25			(809.38)		170,021.37	185,982.72	(963.15)	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	335,071.18	368,617.02			(1,724.48)		333,346.70	367,235.65	343.11	0.00
GNMA	2006 FGH Single Family				112,475.20	123,619.06			(112,475.20)				(11,143.86)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	721,381.19	794,674.53			(4,999.17)		716,382.02	787,022.76	(2,652.60)	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	298,326.94	327,890.99			(1,591.30)		296,735.64	324,747.64	(1,552.05)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	707,574.58	778,600.83			(3,851.12)		703,723.46	771,595.93	(3,153.78)	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	111,765.79	122,843.08			(558.36)		111,207.43	121,727.02	(557.70)	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	1,246,085.55	1,365,621.09			(8,678.10)		1,237,407.45	1,352,649.46	(4,293.53)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	115,347.92	126,925.76			(623.46)		114,724.46	125,770.08	(532.22)	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	350,058.51	385,571.69			(2,090.19)		347,968.32	383,969.35	487.85	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	589,640.23	648,107.93			(3,014.87)		586,625.36	642,126.25	(2,966.81)	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,003,460.42	1,104,227.77			(6,131.89)		997,328.53	1,093,457.60	(4,638.28)	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	849,605.67	933,822.86			(261,024.68)		588,580.99	642,489.35	(30,308.83)	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	373,611.07	410,642.78			(1,801.85)		371,809.22	406,712.58	(2,128.35)	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	511,123.55	560,509.23			(2,540.28)		508,583.27	556,658.42	(1,310.53)	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	749,320.72	824,552.39			(4,747.59)		744,573.13	816,144.79	(3,660.01)	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	85,883.73	94,641.86			(826.99)		85,056.74	93,476.83	(338.04)	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	254,603.50	280,174.14			(1,428.89)		253,174.61	277,698.13	(1,047.12)	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	67,443.62	74,131.58			(349.72)		67,093.90	73,443.41	(338.45)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	255,635.44	280,987.18			(1,201.58)		254,433.86	278,257.67	(1,527.93)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	104,667.77	115,047.83			(516.15)		104,151.62	113,944.82	(586.86)	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	91,229.38	100,191.73			(535.35)		90,694.03	99,859.09	202.71	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	92,766.70	102,612.49			(887.55)		91,879.15	101,439.06	(285.88)	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	217,561.85	239,689.40			(2,141.87)		215,419.98	236,780.60	(766.93)	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	429,091.11	471,658.54			(70,366.62)		358,724.49	392,021.30	(9,270.62)	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	142,028.48	156,264.45			(636.06)		141,392.42	155,786.43	158.04	0.00
GNMA	2006 FGH Single Family	5.49	06/05/07	05/20/37	393,989.80	433,572.13			(2,091.22)		391,898.58	429,662.86	(1,818.05)	0.00
GNMA	2006 FGH Single Family	5.15	06/19/07	06/20/37	258,386.13	284,024.44			(1,275.88)		257,110.25	281,110.10	(1,638.46)	0.00
GNMA	2006 FGH Single Family	5.70	06/19/07	06/20/37	238,500.47	262,712.08			(1,275.37)		237,225.10	261,980.74	544.03	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	377,769.52	414,782.08			(114,288.77)		263,480.75	287,025.75	(13,467.56)	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	243,611.25	268,128.56			(1,101.74)		242,509.51	267,594.67	567.85	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	300,059.72	329,839.09			(1,383.40)		298,676.32	326,688.66	(1,767.03)	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	163,979.13	180,252.12			(100,902.90)		63,076.23	69,002.45	(10,346.77)	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	677,893.81	745,174.98			(112,791.75)		565,102.06	616,320.64	(16,062.59)	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	211,460.83	232,666.10			(971.08)		210,489.75	231,919.34	224.32	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	660,765.91	726,660.32			(122,725.67)		538,040.24	587,311.40	(16,623.25)	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	84,659.41	93,189.19			(396.36)		84,263.05	92,888.92	96.09	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37	419,845.32	462,771.18			(2,953.87)		416,891.45	458,306.70	(1,510.61)	0.00
GNMA	2006 FGH Single Family	5.15	11/21/07	10/20/37	475,434.10	521,706.28			(2,323.58)		473,110.52	517,694.27	(1,688.43)	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	276,201.19	303,717.82			(1,205.24)		274,995.95	303,208.61	696.03	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	92,629.77	101,411.22			(414.87)		92,214.90	100,794.94	(201.41)	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37	241,566.95	265,672.34			(73,578.64)		167,988.31	183,842.11	(8,251.59)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
		Rate												
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37	1,387,322.90	1,521,431.61			(135,722.91)		1,251,599.99	1,368,695.40	(17,013.30)	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37	399,391.35	439,746.72			(2,497.82)		396,893.53	436,222.59	(1,026.31)	0.00
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37	135,728.75	149,583.93			(687.26)		135,041.49	149,239.49	342.82	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37	711,755.87	782,789.77			(3,557.87)		708,198.00	774,892.99	(4,338.91)	0.00
GNMA	2006 FGH Single Family	5.49	10/09/07	08/20/37	74,968.67	82,071.59			(339.22)		74,629.45	81,599.13	(133.24)	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37	784,696.06	862,571.47			(4,245.76)		780,450.30	853,868.95	(4,456.76)	0.00
GNMA	2006 FGH Single Family	5.49	08/23/07	07/20/37	381,377.84	419,416.41			(1,788.54)		379,589.30	415,352.62	(2,275.25)	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37	328,166.08	361,360.41			(1,651.61)		326,514.47	360,474.33	765.53	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	08/20/37	367,468.80	402,274.54			(1,750.83)		365,717.97	399,722.53	(801.18)	0.00
GNMA	2006 FGH Single Family	5.70	09/11/07	08/20/37	148,875.00	166,199.24			(962.56)		147,912.44	165,678.33	441.65	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37	238,951.66	262,791.05			(1,104.35)		237,847.31	260,322.65	(1,364.05)	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	186,501.98	205,082.30			(4,881.75)		181,620.23	199,868.06	(332.49)	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	467,873.55	514,597.39			(140,204.51)		327,669.04	356,145.94	(18,246.94)	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	89,785.37	98,298.35			(422.13)		89,363.24	97,686.35	(189.87)	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	11/20/37	201,542.89	221,625.70			(867.92)		200,674.97	221,283.05	525.27	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	72,256.56	79,473.37			(352.70)		71,903.86	78,691.10	(429.57)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	165,964.98	181,703.11			(736.06)		165,228.92	180,611.85	(355.20)	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37	476,638.20	524,887.33			(2,842.92)		473,795.28	523,162.60	1,118.19	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37	1,108,816.80	1,219,503.58			(26,294.13)		1,082,522.67	1,187,194.94	(6,014.51)	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37	332,483.87	363,999.45			(1,579.10)		330,904.77	361,565.46	(854.89)	0.00
GNMA	2006 FGH Single Family	5.70	11/08/07	10/20/37	302,038.14	332,616.88			(1,314.94)		300,723.20	332,036.91	734.97	0.00
GNMA	2006 FGH Single Family	5.49	11/08/07	09/20/37	166,407.13	182,179.46			(747.31)		165,659.82	181,170.53	(261.62)	0.00
GNMA	2006 FGH Single Family	5.49	01/16/08	12/20/37	150,338.21	164,600.80			(663.54)		149,674.67	163,627.86	(309.40)	0.00
GNMA	2006 FGH Single Family	5.70	12/28/07	12/20/37	152,971.79	168,411.39			(718.91)		152,252.88	167,928.77	236.29	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	141,533.16	155,669.15			(657.38)		140,875.78	154,203.38	(808.39)	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	176,255.92	194,304.95			(4,102.65)		172,153.27	189,286.50	(915.80)	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	12/20/37	244,180.76	268,513.86			(1,052.37)		243,128.39	268,060.97	599.48	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	277,161.98	304,844.26			(1,316.04)		275,845.94	301,828.23	(1,699.99)	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	82,874.09	90,732.89			(388.43)		82,485.66	90,181.79	(162.67)	0.00
GNMA	2006 FGH Single Family	5.70	12/20/07	12/20/37	196,169.99	215,720.46			(854.09)		195,315.90	215,353.02	486.65	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	01/20/38	63,445.73	69,466.16			(315.68)		63,130.05	69,016.57	(133.91)	0.00
GNMA	2006 FGH Single Family	5.15	01/16/08	12/20/37	375,503.91	411,128.04			(1,759.37)		373,744.54	408,023.99	(1,344.68)	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	93,501.36	102,373.18			(414.01)		93,087.35	101,755.33	(203.84)	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	12/20/37	118,286.53	130,256.73			(839.37)		117,447.16	128,779.58	(637.78)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	98,456.16	107,800.08			(432.26)		98,023.90	107,186.17	(181.65)	0.00
GNMA	2006 FGH Single Family	5.70	01/30/08	12/20/37	71,767.82	78,923.21			(307.88)		71,459.94	78,781.56	166.23	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	69,109.47	75,668.26			(319.54)		68,789.93	75,205.11	(143.61)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	727,636.61	797,625.84			(130,042.25)		597,594.36	652,286.64	(15,296.95)	0.00
GNMA	2006 FGH Single Family	5.15	03/12/08	02/20/38	306,863.74	335,997.31			(113,110.98)		193,752.76	211,505.69	(11,380.64)	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	02/20/38	91,950.33	101,492.69			(3,612.08)		88,338.25	97,168.40	(712.21)	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	03/20/38	81,879.90	89,654.01			(355.81)		81,524.09	89,117.00	(181.20)	0.00
GNMA	2006 FGH Single Family	5.15	02/19/08	02/20/38	123,187.40	134,880.05			(663.25)		122,524.15	133,936.01	(280.79)	0.00
GNMA	2006 FGH Single Family	5.49	02/19/08	02/20/38	169,166.23	185,223.09			(1,247.57)		167,918.66	183,205.82	(769.70)	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	119,741.78	131,713.00			(729.54)		119,012.24	130,243.34	(740.12)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	02/20/38	144,930.17	158,690.93			(57,059.46)		87,870.71	95,957.29	(5,674.18)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	03/20/38	102,866.76	113,153.76			(497.34)		102,369.42	112,038.07	(618.35)	0.00
GNMA	2006 FGH Single Family	5.70	03/27/08	03/20/38	81,741.11	89,897.12			(355.27)		81,385.84	89,757.00	215.15	0.00
GNMA	2006 FGH Single Family	5.70	04/22/08	12/20/37	112,708.03	124,096.93			(501.52)		112,206.51	123,763.17	167.76	0.00
GNMA	2006 FGH Single Family	5.15	04/22/08	04/20/38	79,383.24	86,924.08			(358.49)		79,024.75	86,400.60	(164.99)	0.00
GNMA	2006 FGH Single Family	5.49	05/07/08	04/20/38	222,672.90	243,828.68			(994.18)		221,678.72	242,417.51	(416.99)	0.00
GNMA	2006 FGH Single Family	5.15	05/14/08	04/20/38	154,041.66	166,513.60			(718.01)		153,323.65	165,465.03	(330.56)	0.00
GNMA	2006 FGH Single Family	5.49	05/14/08	04/20/38	70,077.89	76,736.34			(306.35)		69,771.54	76,290.20	(139.79)	0.00
GNMA	2006 FGH Single Family				121,460.48	133,001.99			(121,460.48)				(11,541.51)	0.00
GNMA	2006 FGH Single Family	5.15	05/21/08	05/20/38	202,022.27	221,220.09			(923.81)		201,098.46	219,765.59	(530.69)	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	05/20/38	234,601.61	256,896.94			(125,592.08)		109,009.53	119,173.31	(12,131.55)	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	04/20/38	72,588.03	79,486.03			(319.01)		72,269.02	79,003.81	(163.21)	0.00
GNMA	2006 FGH Single Family	5.15	06/11/08	05/20/38	266,392.54	291,712.95			(1,219.55)		265,172.99	289,964.87	(528.53)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.70	07/09/08	06/20/38	147,168.91	161,871.37			(621.57)		146,547.34	161,625.83	376.03	0.00
GNMA	2006 FGH Single Family	5.49	07/09/08	06/20/38	313,241.39	343,025.49			(1,384.89)		311,856.50	341,137.39	(503.21)	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	70,260.77	76,941.96			(332.32)		69,928.45	76,479.11	(130.53)	0.00
GNMA	2006 FGH Single Family	5.70	07/16/08	11/20/37	64,126.02	70,530.05			(274.79)		63,851.23	70,423.65	168.39	0.00
GNMA	2006 FGH Single Family	5.15	06/18/08	06/20/38	231,945.18	253,994.48			(1,046.67)		230,898.51	252,470.62	(477.19)	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	94,309.95	103,752.35			(632.73)		93,677.22	102,535.78	(583.84)	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	93,773.70	102,688.79			(418.16)		93,355.54	102,060.15	(210.48)	0.00
GNMA	2006 FGH Single Family	5.70	06/25/08	05/20/38	404,374.89	445,426.30			(1,702.39)		402,672.50	444,648.69	924.78	0.00
GNMA	2006 FGH Single Family	5.49	07/16/08	07/20/38	134,907.36	148,077.32			(568.70)		134,338.66	146,948.37	(560.25)	0.00
GNMA	2006 FGH Single Family	5.70	07/23/08	07/20/38	115,275.19	126,793.83			(496.07)		114,779.12	126,586.59	288.83	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	181,948.59	199,252.73			(778.18)		181,170.41	198,149.73	(324.82)	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	193,849.75	212,285.75			(1,066.14)		192,783.61	210,857.17	(362.44)	0.00
GNMA	2006 FGH Single Family	5.15	07/23/08	07/20/38	72,224.08	79,092.92			(334.79)		71,889.29	78,595.55	(162.58)	0.00
GNMA	2006 FGH Single Family	5.15	07/29/08	07/20/38	216,482.19	237,071.83			(1,600.43)		214,881.76	235,221.38	(250.02)	0.00
GNMA	2006 FGH Single Family	5.70	08/27/08	06/20/38	78,651.09	86,611.82			(348.92)		78,302.17	86,376.09	113.19	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	08/20/38	97,382.41	106,647.91			(427.27)		96,955.14	106,033.14	(187.50)	0.00
GNMA	2006 FGH Single Family	5.49	08/13/08	07/20/38	210,366.84	230,378.11			(894.90)		209,471.94	229,063.65	(419.56)	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	07/20/38	186,539.14	204,283.79			(844.90)		185,694.24	203,041.42	(397.47)	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	08/20/38	206,763.84	226,955.69			(914.20)		205,849.64	225,118.47	(923.02)	0.00
GNMA	2006 FGH Single Family	5.70	09/10/08	08/20/38	112,300.16	123,669.58			(525.37)		111,774.79	123,352.82	208.61	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	08/20/38	67,364.64	73,945.18			(299.06)		67,065.58	73,360.10	(286.02)	0.00
GNMA	2006 FGH Single Family	5.15	09/24/08	08/20/38	81,263.34	88,997.52			(374.67)		80,888.67	88,467.84	(155.01)	0.00
GNMA	2006 FGH Single Family	5.15	10/08/08	09/20/38	224,838.71	246,810.14			(986.59)		223,852.12	244,826.99	(996.56)	0.00
GNMA	2006 FGH Single Family	5.15	10/22/08	09/20/38	259,370.10	284,064.36			(100,195.95)		159,174.15	174,105.30	(9,763.11)	0.00
GNMA	2006 FGH Single Family	5.15	11/12/08	09/20/38	108,211.70	118,790.09			(473.43)		107,738.27	117,864.33	(452.33)	0.00
GNMA	2006 FGH Single Family	5.49	11/25/08	10/20/38	140,448.49	154,180.88			(578.43)		139,870.06	152,960.80	(641.65)	0.00
GNMA	2006 FGH Single Family				104,197.72	114,385.67			(104,197.72)				(10,187.95)	0.00
GNMA	2006 FGH Single Family	5.70	11/25/08	09/20/38	70,671.82	77,921.95			(530.71)		70,141.11	77,545.73	154.49	0.00
GNMA	2006 FGH Single Family				152,355.82	167,255.15			(152,355.82)				(14,899.33)	0.00
GNMA	2006 FGH Single Family	5.15	03/11/09	02/20/39	131,763.14	144,330.87			(1,388.20)		130,374.94	142,613.91	(328.76)	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	01/20/39	133,890.05	146,999.15			(540.75)		133,349.30	145,896.08	(562.32)	0.00
GNMA	2006 FGH Single Family				96,638.37	106,100.72			(96,638.37)				(9,462.35)	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	03/20/39	136,178.92	149,516.51			(586.08)		135,592.84	148,320.81	(609.62)	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	02/20/39	68,942.82	75,694.89			(297.90)		68,644.92	75,093.80	(303.19)	0.00
GNMA	2006 FGH Single Family	5.70	01/14/09	12/20/38	63,463.28	69,817.98			(257.46)		63,205.82	69,714.10	153.58	0.00
GNMA	2006 FGH Single Family	5.15	01/14/09	12/20/38	37,137.09	40,770.52			(161.32)		36,975.77	40,442.48	(166.72)	0.00
GNMA	2006 FGH Single Family	5.15	05/20/09	05/20/39	128,470.13	141,059.68			(648.24)		127,821.89	139,789.88	(621.56)	0.00
GNMA	2006 FGH Single Family	5.15	07/29/09	07/20/39	73,823.33	81,063.87			(305.19)		73,518.14	80,418.90	(339.78)	0.00
GNMA	2006 FGH Single Family	6.00	07/29/09	07/20/39	238,879.55	266,557.40			(921.66)		237,957.89	263,703.29	(1,932.45)	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	793,346.83	876,270.65			(5,850.45)		787,496.38	868,491.27	(1,928.93)	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	61,687.88	67,103.67			(287.25)		61,400.63	66,856.81	40.39	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	62,222.92	67,378.96			(385.40)		61,837.52	66,644.06	(349.50)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	599,663.14	655,129.19			(92,007.41)		507,655.73	554,445.42	(8,676.36)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	82,985.10	89,861.86			(453.53)		82,531.57	88,946.89	(461.44)	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	388,814.17	426,285.36			(2,077.41)		386,736.76	424,249.98	42.03	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	193,677.97	210,068.46			(990.92)		192,687.05	207,665.58	(1,411.96)	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	960,335.32	1,050,385.11			(95,748.85)		864,586.47	948,916.42	(5,719.84)	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	110,053.49	119,173.80			(843.51)		109,209.98	117,699.53	(630.76)	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	311,709.63	338,214.29			(1,725.64)		309,983.99	334,083.61	(2,405.04)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	839,791.99	920,035.50			(116,510.48)		723,281.51	789,511.63	(14,013.39)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	76,998.32	83,712.46			(366.64)		76,631.68	82,589.39	(756.43)	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	99,956.00	108,240.06			(815.48)		99,140.52	107,665.72	(547.86)	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	234,853.60	255,478.89			(81,136.80)		153,716.80	167,380.75	(6,961.34)	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	254,670.97	276,131.53			(1,279.42)		253,391.55	273,094.43	(1,757.68)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	1,060,918.10	1,159,074.86			(199,011.21)		861,906.89	938,522.16	(21,541.49)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	337,915.16	371,574.62			(1,679.62)		336,235.54	370,842.13	947.13	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	30,773.07	33,475.89			(173.81)		30,599.26	33,319.51	17.43	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	337,757.18	365,757.64			(1,816.62)		335,940.56	362,065.12	(1,875.90)	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	90,030.87	97,883.20			(423.04)		89,607.83	96,576.21	(883.95)	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	136,216.53	148,672.23			(2,714.22)		133,502.31	143,930.45	(2,027.56)	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	171,499.46	186,459.20			(826.43)		170,673.03	183,947.31	(1,685.46)	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	214,073.95	232,878.55			(1,041.91)		213,032.04	231,972.74	136.10	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37	209,014.88	226,346.49			(1,156.95)		207,857.93	224,026.09	(1,163.45)	0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37	318,196.20	348,935.26			(1,939.85)		316,256.35	347,399.83	404.42	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	377,512.42	410,449.07			(1,827.56)		375,684.86	404,910.67	(3,710.84)	0.00
FNMA	2006 FGH Single Family	5.70	07/03/07	06/01/37	180,344.79	196,190.66			(67,028.37)		113,316.42	123,393.96	(5,768.33)	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	389,801.50	426,057.67			(1,913.31)		387,888.19	425,054.51	910.15	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	79,992.89	86,627.08			(554.19)		79,438.70	85,618.94	(453.95)	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	151,279.04	163,937.02			(742.18)		150,536.86	162,249.27	(945.57)	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37	684,508.58	753,698.19			(394,344.65)		290,163.93	317,243.49	(42,110.05)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	391,474.60	429,631.68			(1,827.66)		389,646.94	429,624.26	1,820.24	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	302,879.26	329,339.31			(2,214.86)		300,664.40	325,366.64	(1,757.81)	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37	106,883.61	116,749.62			(503.44)		106,380.17	116,308.79	62.61	0.00
FNMA	2006 FGH Single Family	5.15	09/11/07	08/01/37	224,417.47	244,122.68			(1,077.66)		223,339.81	241,693.79	(1,351.23)	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	118,377.67	128,721.80			(1,094.40)		117,283.27	126,921.54	(705.86)	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	142,638.43	155,720.89			(653.34)		141,985.09	153,653.36	(1,414.19)	0.00
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37	134,428.98	146,843.52			(1,148.42)		133,280.56	145,725.86	30.76	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	325,787.71	355,672.11			(1,631.61)		324,156.10	350,798.64	(3,241.86)	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	219,084.66	238,231.48			(1,293.40)		217,791.26	235,691.63	(1,246.45)	0.00
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37	218,972.03	238,537.28			(1,148.81)		217,823.22	235,726.22	(1,662.25)	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37	233,275.05	255,547.60			(1,421.45)		231,853.60	252,234.39	(1,891.76)	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37	786,647.36	862,689.31			(5,475.85)		781,171.51	854,808.19	(2,405.27)	0.00
FNMA	2006 FGH Single Family	5.49	10/25/07	10/01/37	720,092.95	791,008.16			(133,677.90)		586,415.05	641,190.63	(16,139.63)	0.00
FNMA	2006 FGH Single Family	5.70	10/25/07	10/01/37	131,804.16	143,820.92			(580.28)		131,223.88	143,481.19	240.55	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	240,806.58	263,611.18			(1,117.88)		239,688.70	261,198.11	(1,295.19)	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	106,914.13	117,718.08			(6,045.44)		100,868.69	109,939.86	(1,732.78)	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37	77,115.14	84,308.74			(346.97)		76,768.17	83,556.23	(405.54)	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37	414,886.77	456,866.95			(89,423.46)		325,463.31	358,197.15	(9,246.34)	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	05/01/37	126,743.07	138,743.37			(590.01)		126,153.06	137,044.10	(1,109.26)	0.00
FNMA	2006 FGH Single Family				163,964.51	179,493.90			(163,964.51)				(15,529.39)	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	11/01/37	522,426.17	572,950.09			(2,698.13)		519,728.04	569,031.04	(1,220.92)	0.00
FNMA	2006 FGH Single Family	5.49	12/11/07	11/01/37	525,829.63	577,366.61			(91,119.33)		434,710.30	475,334.73	(10,912.55)	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	12/01/37	78,554.31	86,318.86			(726.35)		77,827.96	84,930.49	(662.02)	0.00
FNMA	2006 FGH Single Family	5.70	12/11/07	11/01/37	307,481.92	335,528.96			(1,382.10)		306,099.82	334,705.36	558.50	0.00
FNMA	2006 FGH Single Family				141,368.83	154,562.03			(141,368.83)				(13,193.20)	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	12/01/37	203,680.41	221,493.09			(982.05)		202,698.36	218,824.78	(1,686.26)	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	11/01/37	198,754.87	216,386.19			(989.14)		197,765.73	213,649.96	(1,747.09)	0.00
FNMA	2006 FGH Single Family	5.49	12/28/07	01/01/36	79,249.09	86,811.31			(471.84)		78,777.25	85,695.01	(644.46)	0.00
FNMA	2006 FGH Single Family	5.15	01/16/08	01/01/38	250,047.66	271,882.74			(1,216.86)		248,830.80	268,642.64	(2,023.24)	0.00
FNMA	2006 FGH Single Family	5.49	01/30/08	12/01/37	85,850.65	93,866.52			(384.07)		85,466.58	93,022.39	(460.06)	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	11/01/37	107,212.31	116,590.82			(505.39)		106,706.92	115,203.97	(881.46)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	101,841.46	111,495.83			(472.79)		101,368.67	110,168.58	(854.46)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	56,951.04	62,269.50			(264.52)		56,686.52	61,534.38	(470.60)	0.00
FNMA	2006 FGH Single Family	5.70	02/13/08	02/01/38	90,100.36	98,325.13			(398.33)		89,702.03	98,091.06	164.26	0.00
FNMA	2006 FGH Single Family	5.49	02/27/08	12/01/37	183,829.14	201,405.27			(1,159.17)		182,669.97	198,830.77	(1,415.33)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	12/01/37	148,569.67	162,777.23			(745.69)		147,823.98	160,789.95	(1,241.59)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	324,410.34	355,175.25			(113,392.30)		211,018.04	229,218.59	(12,564.36)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	200,772.12	219,528.59			(882.22)		199,889.90	216,985.54	(1,660.83)	0.00
FNMA	2006 FGH Single Family	5.15	03/27/08	03/01/38	128,227.74	139,552.86			(585.12)		127,642.62	137,721.58	(1,246.16)	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	01/01/38	119,108.40	130,237.02			(525.44)		118,582.96	128,661.41	(1,050.17)	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	03/01/38	186,483.17	203,908.64			(841.70)		185,641.47	201,542.95	(1,523.99)	0.00
FNMA	2006 FGH Single Family	5.15	04/17/08	03/01/38	113,676.90	123,569.87			(526.65)		113,150.25	122,095.96	(947.26)	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	02/01/38	174,532.82	190,842.78			(769.69)		173,763.13	188,622.01	(1,451.08)	0.00
GNMA	2006 FGH Single Family	6.00	08/12/09	06/20/39	116,419.18	129,909.30			(418.08)		116,001.10	128,700.48	(790.74)	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	6.00	08/19/09	07/20/39	143,937.88	160,618.53			(560.36)		143,377.52	159,071.39	(986.78)	0.00
GNMA	2006 FGH Single Family	5.49	08/19/09	07/20/39	111,751.76	122,714.76			(440.07)		111,311.69	121,792.75	(481.94)	0.00
GNMA	2006 FGH Single Family	6.00	08/27/09	07/20/39	69,349.81	77,387.24			(248.84)		69,100.97	76,519.33	(619.07)	0.00
GNMA	2006 FGH Single Family				129,296.67	142,309.25			(129,296.67)				(13,012.58)	0.00
GNMA	2006 FGH Single Family	5.15	08/27/09	08/20/39	75,429.29	83,020.58			(308.29)		75,121.00	82,322.21	(390.08)	0.00
FNMA	2006 FGH Single Family	5.15	08/27/09	07/01/39	64,227.16	70,591.17			(719.85)		63,507.31	69,464.80	(406.52)	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/28/08	04/01/38	146,394.46	157,967.57			(696.07)		145,698.39	156,818.53	(452.97)	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/18/08	02/01/38	40,628.01	44,181.99			(172.04)		40,455.97	43,969.88	(40.07)	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/18/08	05/01/38	74,244.17	80,099.09			(347.82)		73,896.35	79,554.07	(197.20)	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/25/08	04/01/38	86,784.30	94,394.44			(401.71)		86,382.59	94,050.21	57.48	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/16/08	06/01/38	77,883.81	84,036.15			(368.16)		77,515.65	83,377.32	(290.67)	0.00
Freddie Mac	2006 FGH Single Family	5.70	07/16/08	06/01/38	102,332.48	111,308.29			(482.95)		101,849.53	110,701.69	(123.65)	0.00
Freddie Mac	2006 FGH Single Family	5.70	10/08/08	08/01/38	100,135.72	108,774.09			(407.80)		99,727.92	108,349.80	(16.49)	0.00
Freddie Mac	2006 FGH Single Family	5.49	10/22/08	08/01/38	98,905.29	107,062.09			(416.21)		98,489.08	106,456.51	(189.37)	0.00
Freddie Mac	2006 FGH Single Family	5.10	11/12/08	10/01/38	163,461.71	176,289.42			(1,002.87)		162,458.84	175,120.61	(165.94)	0.00
Freddie Mac	2006 FGH Single Family	5.15	01/14/09	11/01/38	133,181.23	143,602.53			(579.93)		132,601.30	142,689.89	(332.71)	0.00
Freddie Mac	2006 FGH Single Family	5.15	03/31/09	12/01/38	90,643.93	97,736.28			(392.25)		90,251.68	97,062.32	(281.71)	0.00
Freddie Mac	2006 FGH Single Family				73,905.90	79,683.69			(73,905.90)				(5,777.79)	0.00
<b>2006 FGH Single Family Total</b>					<b>66,237,752.01</b>	<b>72,133,930.39</b>	<b>755,682.98</b>	<b>(239,367.33)</b>	<b>(4,796,391.19)</b>	<b>0.00</b>	<b>61,957,676.47</b>	<b>67,207,180.01</b>	<b>(646,674.84)</b>	<b>0.00</b>
Inv Agmt	2007A Single Family	4.32	10/01/07	09/01/38	6,635,427.66	6,635,427.66		(3,727,034.41)			2,908,393.25	2,908,393.25	-	0.00
Repo Agmt	2007A Single Family	0.02	08/30/13	09/03/13	0.62	0.62	10,129,318.04				10,129,318.66	10,129,318.66	-	0.00
FNMA	2007A Single Family	6.25	02/20/98	01/01/28	4,127.23	4,631.10			(1,248.52)		2,878.71	3,142.79	(239.79)	0.00
FNMA	2007A Single Family	6.25	03/27/98	03/01/28	86,607.72	94,263.03			(899.99)		85,707.73	93,671.74	(308.70)	0.00
FNMA	2007A Single Family	6.25	06/29/98	05/01/28	27,257.14	30,661.04			(1,389.46)		25,867.68	28,250.38	(1,021.20)	0.00
GNMA	2007A Single Family	6.25	02/20/98	01/20/28	732,139.50	810,939.58			(68,841.10)		663,298.40	729,648.05	(12,450.43)	0.00
FNMA	2007A Single Family	6.25	11/30/98	09/01/28	143,987.28	165,285.95			(1,457.66)		142,529.62	161,303.70	(2,524.59)	0.00
GNMA	2007A Single Family	6.25	03/27/98	03/20/28	1,430,918.97	1,588,506.03			(19,624.41)		1,411,294.56	1,555,768.74	(13,112.88)	0.00
GNMA	2007A Single Family	6.25	05/19/98	05/20/28	788,525.48	874,892.63			(144,517.78)		644,007.70	706,270.33	(24,104.52)	0.00
GNMA	2007A Single Family	5.45	07/28/00	06/20/30	770,164.26	844,076.89			(8,316.45)		761,847.81	831,991.11	(3,769.33)	0.00
GNMA	2007A Single Family	6.25	08/14/98	07/20/28	471,611.33	523,549.87			(6,905.11)		464,706.22	512,361.83	(4,282.93)	0.00
GNMA	2007A Single Family	6.25	06/29/98	06/20/28	376,074.60	417,491.71			(4,111.91)		371,962.69	410,062.85	(3,316.95)	0.00
GNMA	2007A Single Family	6.25	09/18/98	09/20/28	452,602.22	502,727.91			(5,421.64)		447,180.58	493,231.24	(4,075.03)	0.00
FNMA	2007A Single Family	6.25	03/31/99	11/01/28	39,822.43	44,795.37			(2,109.60)		37,712.83	41,204.57	(1,481.20)	0.00
GNMA	2007A Single Family	6.25	11/30/98	11/20/28	345,637.03	383,916.35			(3,407.83)		342,229.20	377,495.94	(3,012.58)	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	254,478.09	282,503.68			(3,213.32)		251,264.77	277,155.00	(2,135.36)	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	134,484.44	149,378.65			(1,368.35)		133,116.09	146,840.43	(1,169.87)	0.00
FNMA	2007A Single Family	6.25	05/27/99	11/01/28	16,586.30	18,610.76			(517.43)		16,068.87	17,550.51	(542.82)	0.00
GNMA	2007A Single Family	6.25	02/16/99	02/20/29	697,598.46	774,424.94			(10,619.30)		686,979.16	757,332.65	(6,472.99)	0.00
GNMA	2007A Single Family	6.25	03/31/99	02/20/29	40,423.22	45,009.66			(1,506.11)		38,917.11	42,996.82	(506.73)	0.00
GNMA	2007A Single Family	6.25	05/27/99	05/20/29	226,321.63	251,246.41			(3,226.19)		223,095.44	245,933.71	(2,086.51)	0.00
GNMA	2007A Single Family	5.45	07/30/99	07/20/29	414,198.77	454,595.49			(4,831.80)		409,366.97	447,777.78	(1,985.91)	0.00
GNMA	2007A Single Family	5.45	08/26/99	08/20/29	464,881.11	509,495.71			(5,181.33)		459,699.78	502,143.81	(2,170.57)	0.00
FNMA	2007A Single Family	5.45	09/20/99	08/01/29	88,830.67	96,982.48			(827.59)		88,003.08	94,574.98	(1,579.91)	0.00
GNMA	2007A Single Family	5.45	09/20/99	09/20/29	116,277.03	127,436.16			(39,941.09)		76,335.94	83,408.49	(4,086.58)	0.00
FNMA	2007A Single Family	5.45	12/20/99	12/01/29	115,635.69	125,826.68			(2,375.50)		113,260.19	124,152.43	701.25	0.00
FNMA	2007A Single Family	5.45	01/19/00	12/01/29	130,316.88	141,535.89			(1,941.06)		128,375.82	137,962.96	(1,631.87)	0.00
GNMA	2007A Single Family	5.45	10/28/99	10/20/29	442,133.72	484,565.24			(5,798.27)		436,335.45	476,569.91	(2,197.06)	0.00
GNMA	2007A Single Family	5.45	11/18/99	11/20/29	98,282.54	107,253.77			(1,551.03)		96,731.51	105,205.19	(497.55)	0.00
GNMA	2007A Single Family	5.45	12/30/99	12/20/29	1,446,026.50	1,584,801.63			(43,828.20)		1,402,198.30	1,531,537.03	(9,436.40)	0.00
GNMA	2007A Single Family	5.45	01/28/00	01/20/30	491,509.33	538,679.55			(4,688.89)		486,820.44	531,539.85	(2,450.81)	0.00
GNMA	2007A Single Family	5.45	02/22/00	01/20/30	266,977.24	292,265.22			(2,489.38)		264,487.86	288,656.66	(1,119.18)	0.00
GNMA	2007A Single Family	5.45	03/27/00	02/20/30	214,733.65	234,233.68			(2,667.62)		212,066.03	230,710.96	(855.10)	0.00
FNMA	2007A Single Family	5.45	04/27/00	03/01/30	207,219.42	227,338.33			(44,253.60)		162,965.82	176,917.29	(6,167.44)	0.00
GNMA	2007A Single Family	5.45	04/27/00	04/20/30	335,420.23	367,191.23			(3,227.66)		332,192.57	362,485.21	(1,478.36)	0.00
GNMA	2007A Single Family	5.45	05/30/00	04/20/30	81,453.99	89,169.34			(742.52)		80,711.47	88,058.66	(368.16)	0.00
GNMA	2007A Single Family	5.45	06/21/00	05/20/30	428,120.92	469,207.68			(4,179.70)		423,941.22	462,926.85	(2,101.13)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.45	09/18/00	09/20/30	568,187.89	622,006.61			(5,436.74)		562,751.15	613,910.83	(2,659.04)	0.00
FNMA	2007A Single Family	5.45	07/24/00	06/01/30	93,185.97	101,699.38			(55,281.36)		37,904.61	40,691.29	(5,726.73)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	383,072.50	421,322.67			(84,951.93)		298,120.57	325,530.78	(10,839.96)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	159,585.89	174,428.00			(799.50)		158,786.39	172,441.34	(1,187.16)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	154,690.03	170,135.99			(706.99)		153,983.04	168,471.95	(957.05)	0.00
GNMA	2007A Single Family	4.75	09/25/07	08/20/37	205,666.06	224,808.97			(134,835.01)		70,831.05	76,514.38	(13,459.58)	0.00
GNMA	2007A Single Family	5.49	09/25/07	09/20/37	1,277,339.09	1,404,571.96			(105,733.93)		1,171,605.16	1,282,025.48	(16,812.55)	0.00
GNMA	2007A Single Family	4.75	09/25/07	09/20/37	2,659,245.19	2,906,781.98			(160,537.73)		2,498,707.46	2,698,710.48	(47,533.77)	0.00
GNMA	2007A Single Family	5.49	10/09/07	09/20/37	657,936.21	723,598.88			(117,045.97)		540,890.24	590,365.25	(16,187.66)	0.00
GNMA	2007A Single Family	4.75	10/09/07	09/20/37	717,804.48	784,462.21			(5,487.14)		712,317.34	769,582.51	(9,392.56)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	238,733.06	262,546.12			(1,274.26)		237,458.80	259,880.98	(1,390.88)	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	815,514.55	897,889.54			(4,918.24)		810,596.31	889,314.33	(3,656.97)	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	1,833,152.18	2,004,046.79			(522,231.43)		1,310,920.75	1,410,125.62	(71,689.74)	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37	270,147.52	298,516.28			(68,648.22)		201,499.30	221,382.67	(8,485.39)	0.00
GNMA	2007A Single Family	5.49	09/11/07	08/20/37	231,919.41	255,094.87			(1,057.28)		230,862.13	253,598.20	(439.39)	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37	3,050,644.86	3,350,973.67			(120,049.74)		2,930,595.12	3,180,621.06	(50,302.87)	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	174,666.12	191,131.24			(109,250.86)		65,415.26	70,983.21	(10,897.17)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	60,711.84	65,915.61			(272.51)		60,439.33	65,533.10	(110.00)	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	854,615.00	939,949.09			(128,922.82)		725,692.18	793,191.43	(17,834.84)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	445,460.92	490,514.87			(101,087.35)		344,373.57	375,885.61	(13,541.91)	0.00
GNMA	2007A Single Family	4.75	12/11/07	11/20/37	828,907.19	906,020.77			(123,941.80)		704,965.39	759,920.04	(22,158.93)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	143,859.67	157,493.96			(645.52)		143,214.15	156,583.28	(265.16)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,090,488.17	1,199,345.35			(5,063.16)		1,085,425.01	1,187,922.89	(6,359.30)	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37	875,672.04	957,366.03			(957.32)		870,614.72	940,030.22	(12,278.49)	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	743,567.05	817,793.10			(66,779.94)		676,787.11	740,444.03	(10,569.13)	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37	614,000.39	671,032.79			(3,197.74)		610,802.65	659,852.97	(7,982.08)	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37	121,471.80	132,767.54			(605.20)		120,866.60	131,257.80	(904.54)	0.00
GNMA	2007A Single Family	4.75	12/28/07	12/20/37	250,606.13	273,925.93			(1,241.54)		249,364.59	270,871.53	(1,812.86)	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	123,095.08	135,547.79			(846.62)		122,248.46	134,111.70	(589.47)	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	126,635.36	138,646.89			(563.90)		126,071.46	137,851.20	(231.79)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	408,781.21	449,609.29			(2,520.60)		406,260.61	444,223.25	(2,865.44)	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	308,204.31	338,987.01			(42,849.54)		265,354.77	290,378.36	(5,759.11)	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	1,305,120.01	1,426,544.54			(128,712.01)		1,176,408.00	1,277,755.28	(20,077.25)	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	112,508.98	122,976.48			(558.99)		111,949.99	121,577.50	(839.99)	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	288,200.00	315,015.82			(1,424.90)		286,775.10	311,480.33	(2,110.59)	0.00
GNMA	2007A Single Family	5.49	12/20/07	12/20/37	208,844.92	228,652.52			(1,139.17)		207,705.75	227,080.07	(433.28)	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	120,041.90	131,211.30			(590.70)		119,451.20	129,752.59	(868.01)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	123,130.62	134,633.06			(827.78)		122,302.84	132,138.33	(1,666.95)	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	176,195.97	192,913.06			(780.01)		175,415.96	191,768.23	(364.82)	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	46,311.07	50,704.97			(205.66)		46,105.41	50,401.96	(97.35)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	273,056.97	298,476.76			(1,344.61)		271,712.36	295,141.00	(1,991.15)	0.00
GNMA	2007A Single Family	4.75	01/16/08	01/20/38	348,442.54	380,987.81			(1,778.34)		346,664.20	374,531.09	(4,678.38)	0.00
GNMA	2007A Single Family	5.49	01/16/08	12/20/37	184,283.00	202,696.52			(939.73)		183,343.27	200,646.24	(1,110.55)	0.00
GNMA	2007A Single Family	4.75	01/16/08	12/20/37	93,160.90	101,831.61			(458.70)		92,702.20	100,675.81	(697.10)	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	53,364.22	58,332.08			(262.69)		53,101.53	57,667.94	(401.45)	0.00
GNMA	2007A Single Family	5.49	01/30/08	01/20/38	284,173.08	311,138.57			(1,276.81)		282,896.27	309,314.77	(546.99)	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	271,280.02	297,020.28			(1,246.21)		270,033.81	295,271.16	(502.91)	0.00
GNMA	2007A Single Family	5.49	02/19/08	02/20/38	118,794.39	130,070.08			(581.95)		118,212.44	129,219.13	(269.00)	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	49,596.31	54,552.67			(237.57)		49,358.74	54,044.58	(270.52)	0.00
GNMA	2007A Single Family	5.49	02/13/08	01/20/38	85,351.60	93,451.84			(374.58)		84,977.02	92,914.65	(162.61)	0.00
GNMA	2007A Single Family	4.75	02/13/08	12/20/37	82,487.07	90,973.88			(1,626.99)		80,860.08	88,117.01	(1,229.88)	0.00
GNMA	2007A Single Family	5.49	04/08/08	04/20/38	79,542.97	87,599.97			(994.02)		78,548.95	86,166.52	(439.43)	0.00
GNMA	2007A Single Family	4.75	04/08/08	03/20/38	330,502.37	351,062.02			(1,598.52)		328,903.85	347,544.67	(1,918.83)	0.00
GNMA	2007A Single Family	4.75	04/08/08	04/20/38	94,147.21	102,919.90			(454.92)		93,692.29	101,791.51	(673.47)	0.00
GNMA	2007A Single Family	5.49	03/12/08	03/20/38	225,626.22	247,048.36			(1,049.16)		224,577.06	245,520.70	(478.50)	0.00
GNMA	2007A Single Family				98,622.83	108,484.22			(98,622.83)				(9,861.39)	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	116,082.53	126,892.12			(577.90)		115,504.63	125,475.33	(838.89)	0.00

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GNMA	2007A Single Family	4.75	02/19/08	12/20/37	105,089.05	114,907.49			(737.75)		104,351.30	112,745.56	(1,424.18)	0.00
GNMA	2007A Single Family	5.49	02/19/08	01/20/38	234,161.27	256,385.75			(1,032.08)		233,129.19	254,876.53	(477.14)	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	146,599.69	160,298.41			(747.84)		145,851.85	157,576.12	(1,974.45)	0.00
GNMA	2007A Single Family	5.49	02/19/08	10/20/37	138,214.00	151,329.28			(616.75)		137,597.25	150,414.77	(297.76)	0.00
GNMA	2007A Single Family	4.75	02/27/08	02/20/38	91,530.23	100,054.22			(488.88)		91,041.35	98,901.01	(664.33)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	93,241.24	102,798.50			(700.56)		92,540.68	101,791.43	(306.51)	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	163,050.69	178,528.34			(712.56)		162,338.13	177,462.78	(353.00)	0.00
GNMA	2007A Single Family	4.75	03/20/08	12/20/37	108,267.93	118,351.62			(536.50)		107,731.43	117,031.81	(783.31)	0.00
GNMA	2007A Single Family	5.49	03/27/08	03/20/38	205,692.63	225,225.36			(886.99)		204,805.64	223,906.53	(431.84)	0.00
GNMA	2007A Single Family	5.49	03/27/08	02/20/38	169,214.49	185,282.11			(744.22)		168,470.27	184,242.53	(295.36)	0.00
GNMA	2007A Single Family	4.75	04/15/08	02/20/38	106,713.36	116,656.51			(521.86)		106,191.50	115,365.16	(769.49)	0.00
GNMA	2007A Single Family	5.49	04/15/08	03/20/38	45,580.23	49,909.42			(198.53)		45,381.70	49,622.80	(88.09)	0.00
GNMA	2007A Single Family	5.49	04/24/08	04/20/38	258,423.89	282,972.87			(3,135.72)		255,288.17	279,425.67	(411.48)	0.00
GNMA	2007A Single Family	4.75	04/24/08	04/20/38	117,213.09	128,137.01			(567.15)		116,645.94	126,728.83	(841.03)	0.00
GNMA	2007A Single Family	5.49	04/22/08	04/20/38	91,405.42	100,088.28			(395.02)		91,010.40	99,521.48	(171.78)	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	241,709.65	264,674.09			(1,045.09)		240,664.56	263,089.60	(539.40)	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	151,438.15	165,826.03			(654.99)		150,783.16	164,836.13	(334.91)	0.00
GNMA	2007A Single Family	4.75	05/07/08	05/20/38	321,790.01	351,785.98			(1,577.87)		320,212.14	347,839.45	(2,368.66)	0.00
GNMA	2007A Single Family	5.49	05/14/08	04/20/38	89,379.89	97,872.31			(383.75)		88,996.14	97,282.17	(206.39)	0.00
GNMA	2007A Single Family	4.75	05/14/08	05/20/38	262,312.93	286,766.70			(121,781.49)		140,531.44	152,664.25	(12,320.96)	0.00
GNMA	2007A Single Family	4.75	05/21/08	05/20/38	125,956.37	137,858.35			(1,316.24)		124,640.13	134,810.11	(1,732.00)	0.00
GNMA	2007A Single Family	5.49	05/28/08	05/20/38	329,804.96	361,571.02			(1,415.39)		328,389.57	359,170.34	(985.29)	0.00
GNMA	2007A Single Family	4.75	05/28/08	04/20/38	29,110.88	31,824.93			(152.42)		28,958.46	31,459.11	(213.40)	0.00
GNMA	2007A Single Family	5.49	06/11/08	05/20/38	222,628.59	243,789.27			(1,164.47)		221,464.12	241,764.65	(860.15)	0.00
GNMA	2007A Single Family	5.49	07/09/08	07/20/38	65,613.27	72,183.84			(300.55)		65,312.72	71,504.15	(379.14)	0.00
GNMA	2007A Single Family	5.49	07/09/08	06/20/38	176,961.12	193,787.21			(873.45)		176,087.67	192,596.03	(317.73)	0.00
GNMA	2007A Single Family	4.75	07/09/08	06/20/38	88,523.97	96,781.97			(420.14)		88,103.83	95,706.01	(655.82)	0.00
GNMA	2007A Single Family	4.75	07/16/08	06/20/38	158,153.38	172,908.02			(771.08)		157,382.30	170,988.75	(71,148.19)	0.00
GNMA	2007A Single Family	5.49	07/16/08	05/20/38	107,493.94	118,257.88			(499.58)		106,994.36	117,137.56	(620.74)	0.00
GNMA	2007A Single Family	5.49	06/18/08	05/20/38	130,297.78	142,683.50			(771.00)		129,526.78	141,663.82	(248.68)	0.00
GNMA	2007A Single Family	4.75	06/18/08	04/20/38	107,068.17	117,052.52			(514.11)		106,554.06	115,428.22	(1,110.19)	0.00
GNMA	2007A Single Family				77,247.42	84,590.76			(77,247.42)				(7,343.34)	0.00
GNMA	2007A Single Family	5.49	06/25/08	06/20/38	98,770.78	108,160.94			(420.98)		98,349.80	107,552.86	(187.10)	0.00
GNMA	2007A Single Family	5.49	07/23/08	06/20/38	101,382.91	111,024.21			(439.50)		100,943.41	110,392.98	(191.73)	0.00
GNMA	2007A Single Family	4.75	07/23/08	07/20/38	113,445.54	124,030.74			(537.75)		112,907.79	122,683.24	(809.75)	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	202,559.16	223,363.51			(1,219.48)		201,339.68	221,502.16	(641.87)	0.00
GNMA	2007A Single Family	4.75	08/13/08	07/20/38	67,967.53	74,310.77			(336.01)		67,631.52	73,490.46	(484.30)	0.00
GNMA	2007A Single Family	4.75	08/13/08	06/20/38	104,877.54	114,664.91			(501.51)		104,376.03	113,393.21	(770.19)	0.00
GNMA	2007A Single Family	4.75	08/20/08	08/20/38	276,592.27	302,409.59			(1,311.84)		275,280.43	299,095.52	(2,002.23)	0.00
GNMA	2007A Single Family	4.75	08/27/08	07/20/38	867,260.68	948,212.37			(4,941.77)		862,318.91	936,999.26	(6,271.34)	0.00
GNMA	2007A Single Family	5.49	08/27/08	08/20/38	84,708.32	92,767.94			(357.06)		84,351.26	92,246.59	(164.29)	0.00
GNMA	2007A Single Family	5.49	09/10/08	07/20/38	139,463.30	152,733.83			(78,496.13)		60,967.17	66,538.10	(7,699.60)	0.00
GNMA	2007A Single Family	5.49	09/24/08	09/20/38	80,875.96	88,778.07			(345.48)		80,530.48	88,073.37	(359.22)	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	307,637.34	338,867.45			(2,323.07)		305,314.27	335,133.12	(1,411.26)	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	96,686.91	105,891.69			(449.00)		96,237.91	105,244.34	(198.35)	0.00
GNMA	2007A Single Family	5.49	10/22/08	09/20/38	323,657.91	354,888.17			(1,446.48)		322,211.43	352,445.85	(995.84)	0.00
GNMA	2007A Single Family	5.49	10/29/08	09/20/38	120,633.98	132,424.98			(500.09)		120,133.89	131,381.99	(542.90)	0.00
GNMA	2007A Single Family	4.75	10/29/08	10/20/38	217,124.23	237,408.75			(1,875.49)		215,248.74	232,629.11	(2,904.15)	0.00
GNMA	2007A Single Family	4.75	11/25/08	11/20/38	92,837.77	101,162.35			(1,082.09)		91,755.68	99,691.26	(389.00)	0.00
GNMA	2007A Single Family	5.49	12/10/08	09/20/38	149,503.41	164,122.63			(621.01)		148,882.40	162,812.08	(689.54)	0.00
GNMA	2007A Single Family	4.75	12/10/08	11/20/38	72,818.96	79,349.62			(349.79)		72,469.17	78,307.38	(692.45)	0.00
GNMA	2007A Single Family	4.75	12/30/08	12/20/38	313,619.92	342,942.97			(121,797.36)		191,822.56	207,259.73	(13,885.88)	0.00
GNMA	2007A Single Family	4.75	12/30/08	11/20/38	177,508.80	193,432.13			(907.56)		176,601.24	190,766.10	(1,758.47)	0.00
GNMA	2007A Single Family	5.49	01/14/09	12/20/38	87,764.64	96,351.40			(364.59)		87,400.05	95,624.37	(362.44)	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	76,350.18	83,200.73			(355.10)		75,995.08	82,118.19	(727.44)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	377,756.74	414,422.78			(1,773.63)		375,983.11	411,303.39	(1,345.76)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	119,931.71	131,667.10			(506.83)		119,424.88	130,582.26	(578.01)	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.15	01/21/09	01/20/39	160,343.56	176,033.28			(688.50)		159,655.06	174,545.17	(799.61)	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	583,318.17	640,396.22			(132,045.54)		451,272.63	492,972.72	(15,377.96)	0.00
GNMA	2007A Single Family	4.75	01/21/09	01/20/39	111,509.23	121,515.78			(507.85)		111,001.38	119,944.24	(1,063.69)	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	76,309.47	83,422.61			(349.66)		75,959.81	82,201.00	(871.95)	0.00
FNMA	2007A Single Family	4.75	08/23/07	08/01/37	780,092.62	855,498.14			(7,165.98)		772,926.64	842,222.72	(6,109.44)	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	619,168.08	685,494.06			(114,190.10)		504,977.98	557,065.65	(14,238.31)	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	71,025.90	78,241.94			(372.85)		70,653.05	77,143.86	(725.23)	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37	792,879.22	877,401.94			(120,432.32)		672,446.90	739,681.64	(17,287.98)	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37	918,262.15	1,008,285.16			(16,165.54)		902,096.61	993,342.80	1,223.18	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37	122,679.60	134,609.76			(646.16)		122,033.44	133,247.36	(716.24)	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37	999,791.15	1,106,408.32			(65,396.28)		934,394.87	1,027,503.42	(13,508.62)	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	559,286.68	615,759.06			(3,022.07)		556,264.61	612,990.61	253.62	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	37,287.38	41,121.91			(441.60)		36,845.78	40,309.38	(370.93)	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37	374,343.82	410,545.73			(1,945.87)		372,397.95	405,632.42	(2,967.44)	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37	241,673.39	260,404.36			(1,549.59)		240,123.80	255,478.77	(3,376.00)	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37	666,039.41	731,144.23			(3,154.94)		662,884.47	730,345.04	2,355.75	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	247,893.31	271,566.23			(1,418.97)		246,474.34	268,008.54	(2,138.72)	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37	390,168.78	427,908.44			(2,222.16)		387,946.62	423,241.27	(2,445.01)	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	369,635.17	405,578.66			(1,704.77)		367,930.40	404,920.22	1,046.33	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37	271,392.40	296,710.42			(57,443.20)		213,949.20	232,633.29	(6,633.93)	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37	98,316.76	105,741.58			(494.50)		97,822.26	104,080.54	(1,166.54)	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37	78,114.55	83,329.80			(1,913.19)		76,201.36	80,280.17	(1,136.44)	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37	373,585.18	409,921.09			(66,507.67)		307,077.51	335,767.31	(7,646.11)	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37	242,082.66	265,204.69			(1,672.50)		240,410.16	261,696.96	(1,835.23)	0.00
FNMA	2007A Single Family	4.75	11/28/07	09/01/37	109,255.07	117,507.72			(555.54)		108,699.53	115,655.33	(1,296.85)	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	360,097.06	395,078.21			(106,614.43)		253,482.63	277,171.00	(11,292.78)	0.00
FNMA	2007A Single Family	5.49	12/12/07	09/01/37	87,468.18	95,629.96			(438.47)		87,029.71	94,467.81	(723.68)	0.00
FNMA	2007A Single Family	4.75	12/11/07	12/01/37	424,312.33	465,375.63			(2,126.93)		422,185.40	459,973.18	(3,275.52)	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	255,622.92	279,839.10			(1,224.79)		254,398.13	277,084.61	(1,529.70)	0.00
FNMA	2007A Single Family				90,036.19	97,021.81			(90,036.19)				(6,985.62)	0.00
FNMA	2007A Single Family	5.49	12/20/07	12/01/37	224,871.64	246,177.60			(98,822.12)		126,049.52	137,033.94	(10,321.54)	0.00
FNMA	2007A Single Family	4.75	12/28/07	12/01/37	153,711.95	165,329.01			(811.39)		152,900.56	162,722.05	(1,795.57)	0.00
FNMA	2007A Single Family	5.49	01/16/08	08/01/37	101,899.94	111,770.43			(863.28)		101,036.66	110,068.29	(838.86)	0.00
FNMA	2007A Single Family	5.49	01/30/08	09/01/37	157,711.34	172,434.04			(715.76)		156,995.58	170,862.77	(855.51)	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	87,926.81	94,574.42			(434.10)		87,492.71	93,097.37	(1,042.95)	0.00
FNMA	2007A Single Family	5.49	02/13/08	11/01/37	206,024.43	226,861.57			(2,771.83)		203,252.60	222,425.45	(1,664.29)	0.00
FNMA	2007A Single Family	4.75	02/13/08	01/01/38	195,666.18	210,462.49			(966.84)		194,699.34	207,174.87	(2,320.78)	0.00
FNMA	2007A Single Family	5.49	02/19/08	01/01/38	191,013.12	209,275.91			(1,151.74)		189,861.38	206,512.71	(1,611.46)	0.00
FNMA	2007A Single Family	4.75	03/12/08	02/01/38	216,183.29	232,537.21			(1,071.21)		215,112.08	228,901.57	(2,564.43)	0.00
FNMA	2007A Single Family	5.49	03/20/08	02/01/38	280,074.56	307,349.45			(1,484.39)		278,590.17	306,891.18	1,026.12	0.00
FNMA	2007A Single Family	5.49	03/20/08	11/01/37	328,415.46	359,555.12			(2,006.92)		326,408.54	354,894.91	(2,653.29)	0.00
FNMA	2007A Single Family	4.75	03/27/08	03/01/38	177,435.39	191,219.00			(1,085.64)		176,349.75	187,714.35	(2,419.01)	0.00
FNMA	2007A Single Family	5.49	04/08/08	03/01/38	172,941.89	189,102.03			(759.21)		172,182.68	186,877.50	(1,465.32)	0.00
FNMA	2007A Single Family	5.49	04/22/08	04/01/38	53,216.68	58,190.32			(228.86)		52,987.82	57,649.82	(311.64)	0.00
Freddie Mac	2007A Single Family	4.75	05/07/08	04/01/38	116,055.79	123,988.10			(561.54)		115,494.25	122,163.67	(1,262.89)	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	01/01/38	155,337.66	169,096.16			(795.31)		154,542.35	168,172.23	(128.62)	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	03/01/38	171,560.46	185,703.64			(1,216.97)		170,343.49	183,993.06	(493.61)	0.00
Freddie Mac	2007A Single Family	5.49	05/28/08	03/01/38	131,280.22	142,157.49			(581.62)		130,698.60	141,114.08	(461.79)	0.00
Freddie Mac	2007A Single Family	4.75	06/18/08	05/01/38	116,643.03	124,918.56			(966.73)		115,676.30	122,535.76	(1,416.07)	0.00
Freddie Mac	2007A Single Family	5.49	06/18/08	05/01/38	236,413.20	256,006.45			(113,315.91)		123,097.29	133,049.85	(9,640.69)	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	06/01/38	303,117.56	328,241.71			(1,511.35)		301,606.21	326,200.52	(529.84)	0.00
Freddie Mac	2007A Single Family	4.75	06/25/08	05/01/38	71,229.84	76,124.54			(359.75)		70,870.09	75,050.79	(714.00)	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	06/01/38	127,772.04	138,364.34			(706.99)		127,065.05	137,282.47	(374.88)	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	05/01/38	205,909.02	222,977.98			(894.22)		205,014.80	221,713.98	(369.78)	0.00
Freddie Mac	2007A Single Family	5.49	07/23/08	06/01/38	145,814.77	157,903.46			(928.63)		144,886.14	156,534.29	(440.54)	0.00
Freddie Mac	2007A Single Family	4.75	07/23/08	07/01/38	155,679.28	166,324.85			(747.44)		154,931.84	163,840.04	(1,737.37)	0.00
Freddie Mac	2007A Single Family	5.49	08/13/08	07/01/38	131,205.97	142,085.95			(563.32)		130,642.65	141,019.08	(503.55)	0.00



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Freddie Mac	2007A Single Family	5.49	08/20/08	04/01/38	180,192.48	195,133.19			(779.09)		179,413.39	193,806.60	(547.50)	0.00
Freddie Mac	2007A Single Family	5.49	09/17/08	07/01/38	24,282.03	26,290.25			(102.85)		24,179.18	26,163.26	(24.14)	0.00
Freddie Mac	2007A Single Family				107,525.31	116,391.95			(107.525.31)				(8,866.64)	0.00
GNMA	2007A Single Family	5.25	12/28/07	12/20/37	9,628.78	10,454.58			(45.76)		9,583.02	10,387.37	(21.45)	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	4,585.09	5,071.10			(19.82)		4,565.27	5,017.17	(34.11)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	46,923.93	51,455.14			(4,632.38)		42,291.55	46,235.75	(587.01)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	3,881.04	4,249.03			(17.81)		3,863.23	4,222.95	(8.27)	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	6,454.54	7,197.66			(2,403.95)		4,050.59	4,482.37	(311.34)	0.00
GNMA	2007A Single Family	5.25	12/11/07	12/20/37	53,488.12	58,830.73			(4,440.08)		49,048.04	53,664.30	(726.35)	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	8,511.02	9,318.08			(39.38)		8,471.64	9,257.68	(21.02)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	19,266.87	21,191.51			(4,332.67)		14,934.20	16,293.32	(565.52)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	8,757.79	9,588.39			(44.10)		8,713.69	9,520.65	(23.64)	0.00
GNMA	2007A Single Family	5.25	12/20/07	11/20/37	4,194.87	4,592.68			(19.44)		4,175.43	4,564.27	(8.97)	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	1,777.69	1,959.74			(11.05)		1,766.64	1,941.61	(7.08)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	6,849.91	7,639.01			(27.95)		6,821.96	7,558.02	(53.04)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	8,948.09	9,715.83			(41.76)		8,906.33	9,656.54	(17.53)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	3,886.74	4,255.54			(17.63)		3,869.11	4,230.58	(7.33)	0.00
GNMA	2007A Single Family				3,655.96	3,969.65			(3,655.96)				(313.69)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	2,867.57	3,197.94			(11.65)		2,855.92	3,165.78	(20.51)	0.00
GNMA	2007A Single Family	6.00	01/16/08	12/20/37	6,118.25	6,822.90			(25.36)		6,092.89	6,751.22	(46.32)	0.00
GNMA	2007A Single Family	5.25	01/16/08	12/20/37	8,630.78	9,493.23			(43.28)		8,587.50	9,396.79	(53.16)	0.00
GNMA	2007A Single Family	5.25	01/16/08	01/20/38	57,949.71	63,548.47			(4,349.42)		53,600.29	58,606.18	(592.87)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,340.77	4,713.17			(19.81)		4,320.96	4,682.99	(10.37)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	6,370.69	6,975.31			(4,314.30)		2,056.39	2,248.55	(412.46)	0.00
GNMA	2007A Single Family	5.25	02/13/08	02/20/38	3,245.88	3,553.96			(15.35)		3,230.53	3,530.40	(8.21)	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	4,300.12	4,795.46			(18.00)		4,282.12	4,744.62	(32.84)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,614.13	5,051.98			(20.93)		4,593.20	5,018.81	(12.24)	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	9,115.55	10,026.55			(43.27)		9,072.28	9,927.10	(56.18)	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	9,382.65	10,463.56			(38.06)		9,344.59	10,354.28	(71.22)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	9,235.33	10,111.81			(4,800.64)		4,434.69	4,847.96	(463.21)	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	11,008.79	12,053.57			(52.89)		10,955.90	11,976.75	(23.93)	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	12,675.75	13,879.54			(59.73)		12,616.02	13,787.75	(32.06)	0.00
GNMA	2007A Single Family	6.00	04/08/08	04/20/38	5,589.81	6,234.23			(23.06)		5,566.75	6,169.54	(41.63)	0.00
GNMA	2007A Single Family	5.25	04/08/08	04/20/38	6,882.09	7,570.54			(51.79)		6,830.30	7,474.03	(44.72)	0.00
GNMA	2007A Single Family	6.00	03/12/08	03/20/38	3,643.95	4,084.60			(31.98)		3,611.97	4,024.04	(28.58)	0.00
GNMA	2007A Single Family	5.25	03/12/08	03/20/38	8,398.87	9,196.27			(37.87)		8,361.00	9,140.09	(18.31)	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	12,384.94	13,600.76			(3,849.24)		8,535.70	9,314.68	(436.84)	0.00
GNMA	2007A Single Family	6.00	02/19/08	01/20/38	6,848.54	7,637.52			(29.12)		6,819.42	7,556.76	(51.64)	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	7,343.46	8,077.61			(36.96)		7,306.50	7,997.18	(43.47)	0.00
GNMA	2007A Single Family	6.00	02/19/08	02/20/38	3,604.28	4,019.52			(16.87)		3,587.41	3,975.44	(27.21)	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	8,336.42	9,180.37			(44.14)		8,292.28	9,093.65	(42.58)	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	8,358.25	9,321.40			(4,449.40)		3,908.85	4,331.58	(540.42)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	3,096.53	3,390.44			(14.04)		3,082.49	3,371.13	(5.27)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	7,044.25	7,712.91			(32.62)		7,011.63	7,662.60	(17.69)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	2,082.24	2,279.90			(9.74)		2,072.50	2,265.90	(4.26)	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	6,442.33	7,184.62			(26.01)		6,416.32	7,109.78	(48.83)	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	11,814.74	12,995.92			(3,672.68)		8,142.06	8,900.48	(422.76)	0.00
GNMA	2007A Single Family	5.25	03/27/08	03/20/38	5,112.61	5,598.10			(24.05)		5,088.56	5,562.48	(11.57)	0.00
GNMA	2007A Single Family	6.00	03/27/08	03/20/38	12,976.86	14,546.29			(3,056.39)		9,920.47	10,992.99	(496.91)	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	3,044.07	3,333.21			(14.12)		3,029.95	3,312.85	(6.24)	0.00
GNMA	2007A Single Family	6.00	04/15/08	04/20/38	2,925.97	3,296.57			(40.29)		2,885.68	3,233.45	(22.83)	0.00
GNMA	2007A Single Family	6.00	04/22/08	04/20/38	11,037.72	12,310.32			(2,387.59)		8,650.13	9,587.67	(335.06)	0.00
GNMA	2007A Single Family	6.00	05/07/08	04/20/38	7,303.39	8,145.57			(30.72)		7,272.67	8,058.91	(55.94)	0.00
GNMA	2007A Single Family	5.25	05/07/08	05/20/38	33,361.92	36,589.77			(167.02)		33,194.90	36,298.64	(124.11)	0.00
GNMA	2007A Single Family	5.25	05/07/08	04/20/38	5,227.31	5,723.92			(23.24)		5,204.07	5,686.11	(14.57)	0.00
GNMA	2007A Single Family	5.25	05/14/08	04/20/38	9,194.62	10,068.24			(4,326.59)		4,868.03	5,321.17	(420.48)	0.00
GNMA	2007A Single Family	6.00	05/21/08	05/20/38	4,737.10	5,283.39			(30.62)		4,706.48	5,214.48	(38.29)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	05/28/08	05/20/38	4,325.66	4,736.68			(17.21)		4,308.45	4,711.44	(8.03)	0.00
GNMA	2007A Single Family	6.00	05/28/08	05/20/38	9,066.03	10,111.68			(39.95)		9,026.08	10,001.39	(70.34)	0.00
GNMA	2007A Single Family	5.25	05/28/08	01/20/38	2,987.89	3,271.78			(13.72)		2,974.17	3,251.56	(6.50)	0.00
GNMA	2007A Single Family	6.00	06/11/08	06/20/38	5,404.88	6,028.40			(21.13)		5,383.75	5,964.79	(42.48)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	7,496.78	8,247.20			(52.19)		7,444.59	8,169.33	(25.68)	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	10,720.89	11,794.02			(53.23)		10,667.66	11,672.43	(68.36)	0.00
GNMA	2007A Single Family	6.00	07/09/08	07/20/38	20,531.67	23,004.59			(81.66)		20,450.01	22,758.73	(164.20)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	12,081.21	13,290.94			(4,611.74)		7,469.47	8,175.37	(503.83)	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	9,700.80	10,623.18			(42.74)		9,658.06	10,560.68	(19.76)	0.00
GNMA	2007A Single Family	6.00	07/16/08	07/20/38	1,832.32	2,065.76			(17.76)		1,814.56	2,032.37	(15.63)	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	10,855.82	12,108.22			(47.71)		10,808.11	11,976.51	(84.00)	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	8,442.23	9,287.42			(49.76)		8,392.47	9,186.49	(51.17)	0.00
GNMA	2007A Single Family	6.00	06/25/08	06/20/38	14,132.53	15,878.99			(73.69)		14,058.84	15,760.07	(45.23)	0.00
GNMA	2007A Single Family	5.25	06/25/08	06/20/38	12,557.35	13,751.22			(4,202.86)		8,354.49	9,124.48	(423.88)	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	18,324.09	20,098.49			(80.82)		18,243.27	19,938.17	(79.50)	0.00
GNMA	2007A Single Family	6.00	07/23/08	07/20/38	8,500.98	9,482.04			(34.06)		8,466.92	9,381.08	(66.90)	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	30,061.54	32,972.76			(9,331.93)		20,729.61	22,639.72	(1,001.11)	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	2,985.88	3,269.88			(13.11)		2,972.77	3,251.71	(5.06)	0.00
GNMA	2007A Single Family	6.00	07/29/08	07/20/38	1,332.55	1,486.34			(5.15)		1,327.40	1,470.76	(10.43)	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	8,801.38	9,638.48			(4,055.29)		4,746.09	5,190.11	(393.08)	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	11,617.75	12,722.70			(51.25)		11,566.50	12,649.04	(22.41)	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	2,257.20	2,517.77			(8.74)		2,248.46	2,491.05	(17.98)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	8,931.74	9,826.66			(3,954.78)		4,976.96	5,440.89	(430.99)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	12,854.57	14,110.09			(55.93)		12,798.64	13,996.47	(57.69)	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	23,143.11	25,946.06			(93.91)		23,049.20	25,668.91	(183.24)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	43,181.37	47,364.31			(9,408.11)		33,773.26	36,876.34	(1,079.86)	0.00
GNMA	2007A Single Family	5.25	08/13/08	07/20/38	28,528.07	31,291.36			(446.64)		28,081.43	30,722.02	(122.70)	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	2,587.98	2,886.74			(12.64)		2,575.34	2,853.59	(20.51)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	13,106.76	14,353.62			(8,504.55)		4,602.21	5,031.16	(817.91)	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	17,780.32	19,502.65			(3,577.27)		14,203.05	15,544.72	(380.66)	0.00
GNMA	2007A Single Family	6.00	08/20/08	08/20/38	5,544.17	6,184.26			(2,196.28)		3,347.89	3,709.58	(278.40)	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	21,716.43	23,892.20			(152.81)		21,563.62	23,604.04	(135.35)	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	3,489.98	3,830.81			(15.16)		3,474.82	3,798.94	(16.71)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	4,916.69	5,396.88			(21.49)		4,895.20	5,353.07	(22.32)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	3,672.88	4,031.64			(15.93)		3,656.95	3,998.24	(17.47)	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	5,945.27	6,631.64			(23.97)		5,921.30	6,560.89	(46.78)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	32,972.29	36,166.73			(155.78)		32,816.51	35,899.74	(111.21)	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	10,010.27	11,013.26			(66.91)		9,943.36	10,886.11	(60.24)	0.00
GNMA	2007A Single Family	6.00	09/10/08	09/20/38	10,440.30	11,731.51			(40.70)		10,399.60	11,656.21	(34.60)	0.00
GNMA	2007A Single Family	5.25	09/10/08	09/20/38	31,696.51	34,768.05			(146.81)		31,549.70	34,514.26	(106.98)	0.00
GNMA	2007A Single Family	5.25	09/10/08	08/20/38	17,481.77	19,175.73			(4,638.89)		12,842.88	14,028.69	(508.15)	0.00
GNMA	2007A Single Family	5.25	09/17/08	09/20/38	7,907.65	8,660.24			(173.71)		7,733.94	8,458.59	(27.94)	0.00
GNMA	2007A Single Family	5.25	09/17/08	08/20/38	8,209.05	9,011.01			(35.57)		8,173.48	8,938.42	(37.02)	0.00
GNMA	2007A Single Family	5.25	09/24/08	07/20/38	4,037.66	4,432.12			(17.61)		4,020.05	4,396.63	(17.88)	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	6,744.28	7,523.16			(26.20)		6,718.08	7,442.89	(54.07)	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	22,579.47	24,767.80			(2,936.87)		19,642.60	21,491.12	(339.81)	0.00
GNMA	2007A Single Family	5.25	09/24/08	08/20/38	3,171.34	3,489.20			(20.16)		3,151.18	3,449.26	(19.78)	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	4,819.84	5,278.58			(21.81)		4,798.03	5,247.19	(9.58)	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	10,822.28	12,072.12			(3,094.22)		7,728.06	8,560.11	(417.79)	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	10,992.03	12,038.27			(50.14)		10,941.89	11,967.10	(21.03)	0.00
GNMA	2007A Single Family	6.00	10/08/08	10/20/38	18,641.96	20,948.17			(75.96)		18,566.00	20,813.79	(58.42)	0.00
GNMA	2007A Single Family	5.25	10/08/08	09/20/38	7,369.94	8,090.15			(32.12)		7,337.82	8,022.12	(35.91)	0.00
GNMA	2007A Single Family	6.00	10/15/08	09/20/38	4,227.02	4,715.26			(16.45)		4,210.57	4,665.04	(33.77)	0.00
GNMA	2007A Single Family	6.00	10/15/08	06/20/38	3,080.20	3,435.99			(12.00)		3,068.20	3,401.35	(22.64)	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	13,843.98	15,521.82			(55.74)		13,788.24	15,354.82	(111.26)	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	24,966.01	27,386.53			(122.44)		24,843.57	27,183.20	(80.89)	0.00
GNMA	2007A Single Family	5.25	10/22/08	09/20/38	5,426.65	5,970.72			(104.10)		5,322.55	5,826.33	(40.29)	0.00

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**Single Family Investment Summary**  
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	8,774.64	9,810.49			(71.95)		8,702.69	9,664.80	(73.74)	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	14,471.73	15,886.15			(62.02)		14,409.71	15,756.05	(68.08)	0.00
GNMA	2007A Single Family	5.25	10/22/08	08/20/38	4,439.34	4,861.98			(25.05)		4,414.29	4,827.99	(8.94)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	5,098.46	5,596.80			(22.04)		5,076.42	5,551.58	(23.18)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	11,031.33	12,396.25			(43.01)		10,988.32	12,316.79	(36.45)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	6,098.85	6,803.46			(25.13)		6,073.72	6,729.58	(48.75)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	13,536.43	14,859.56			(58.15)		13,478.28	14,735.13	(66.28)	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	7,988.73	8,769.61			(34.68)		7,954.05	8,696.01	(38.92)	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	8,290.24	9,247.96			(44.34)		8,245.90	9,135.85	(67.77)	0.00
GNMA	2007A Single Family				6,639.49	7,271.66			(6,639.49)				(632.17)	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	22,611.93	25,353.10			(90.22)		22,521.71	25,078.30	(184.58)	0.00
GNMA	2007A Single Family	5.25	11/12/08	10/20/38	3,781.39	4,141.51			(35.29)		3,746.10	4,102.06	(4.16)	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	4,204.37	4,690.19			(15.96)		4,188.41	4,642.94	(31.29)	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	8,764.41	9,777.11			(34.60)		8,729.81	9,672.25	(70.26)	0.00
GNMA	2007A Single Family	5.25	11/19/08	11/20/38	4,191.31	4,601.07			(18.04)		4,173.27	4,564.43	(18.60)	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	2,882.09	3,215.17			(12.82)		2,869.27	3,179.29	(23.06)	0.00
GNMA	2007A Single Family	5.25	11/25/08	11/20/38	5,183.46	5,690.30			(22.63)		5,160.83	5,643.93	(23.74)	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	5,216.64	5,819.46			(21.44)		5,195.20	5,756.78	(41.24)	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	12,688.86	14,155.21			(47.85)		12,641.01	14,010.23	(97.13)	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	21,276.76	23,844.65			(85.21)		21,191.55	23,600.51	(158.93)	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	28,128.54	30,950.45			(15,755.96)		12,372.58	13,539.07	(1,655.42)	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	4,979.80	5,466.85			(21.18)		4,958.62	5,421.26	(24.41)	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	10,020.54	11,178.72			(40.81)		9,979.73	11,060.79	(77.12)	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	1,812.59	2,022.08			(7.04)		1,805.55	2,000.87	(14.17)	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	2,490.34	2,778.23			(10.23)		2,480.11	2,748.31	(19.69)	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	4,698.88	5,242.03			(20.43)		4,678.45	5,184.60	(37.00)	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	2,490.15	2,777.96			(9.38)		2,480.77	2,748.72	(19.86)	0.00
GNMA	2007A Single Family	6.00	02/18/09	01/20/39	2,630.12	2,934.34			(13.46)		2,616.66	2,899.66	(21.22)	0.00
GNMA	2007A Single Family	5.25	02/25/09	02/20/39	2,534.97	2,776.74			(11.35)		2,523.62	2,759.78	(5.61)	0.00
GNMA	2007A Single Family	5.49	02/25/09	01/20/39	2,760.65	3,030.89			(11.15)		2,749.50	3,007.26	(12.48)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	12,705.39	14,175.09			(53.91)		12,651.48	14,017.38	(103.80)	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,508.34	4,949.60			(19.04)		4,489.30	4,908.86	(21.70)	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,477.42	4,904.38			(32.64)		4,444.78	4,860.28	(11.46)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	11,712.22	13,067.03			(4,716.58)		6,995.64	7,753.16	(597.29)	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	2,346.80	2,618.26			(8.77)		2,338.03	2,590.76	(18.73)	0.00
GNMA	2007A Single Family	5.25	03/11/09	02/20/39	5,037.64	5,518.11			(23.36)		5,014.28	5,485.17	(9.58)	0.00
GNMA	2007A Single Family	5.25	03/11/09	01/20/39	4,187.46	4,597.40			(17.57)		4,169.89	4,559.65	(20.18)	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39	4,594.21	5,125.72			(19.87)		4,574.34	5,070.62	(35.23)	0.00
GNMA	2007A Single Family	6.00	03/18/09	03/20/39	8,412.79	9,386.16			(31.16)		8,381.63	9,288.11	(66.89)	0.00
GNMA	2007A Single Family	5.25	03/25/09	12/20/38	2,013.78	2,210.97			(9.52)		2,004.26	2,191.97	(9.48)	0.00
GNMA	2007A Single Family	6.00	03/25/09	03/20/39	2,337.07	2,607.48			(8.58)		2,328.49	2,580.42	(18.48)	0.00
GNMA	2007A Single Family	6.00	04/08/09	10/20/38	2,649.46	2,955.98			(26.08)		2,623.38	2,907.05	(22.85)	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	3,815.28	4,178.84			(16.77)		3,798.51	4,153.17	(8.90)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	2,736.09	3,052.40			(10.68)		2,725.41	3,019.16	(22.56)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	3,274.84	3,653.46			(12.34)		3,262.50	3,615.26	(25.86)	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	7,192.31	8,023.79			(28.43)		7,163.88	7,938.57	(56.79)	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	20,070.55	22,033.93			(1,810.56)		18,259.99	19,959.72	(263.65)	0.00
GNMA	2007A Single Family	6.00	01/14/09	12/20/38	6,403.89	7,144.33			(24.33)		6,379.56	7,069.67	(50.33)	0.00
GNMA	2007A Single Family	5.25	01/14/09	01/20/39	11,249.19	12,321.43			(50.58)		11,198.61	12,247.25	(23.60)	0.00
GNMA	2007A Single Family	5.25	01/14/09	12/20/38	4,139.62	4,544.63			(17.60)		4,122.02	4,507.23	(19.80)	0.00
GNMA	2007A Single Family	6.00	01/14/09	01/20/39	17,383.04	19,480.82			(68.55)		17,314.49	19,275.56	(136.71)	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	8,375.20	9,343.64			(3,985.88)		4,389.32	4,864.43	(493.33)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	2,367.50	2,641.35			(8.96)		2,358.54	2,613.28	(19.11)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6,547.74	7,188.59			(30.03)		6,517.71	7,126.65	(31.91)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	8,163.71	8,942.11			(38.22)		8,125.49	8,884.90	(18.99)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	5,716.27	6,377.40			(2,884.20)		2,832.07	3,156.04	(337.16)	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	4,493.04	4,932.76			(18.90)		4,474.14	4,893.70	(20.16)	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	5,978.57	6,548.60			(26.27)		5,952.30	6,509.06	(13.27)	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	4,954.44	5,527.46			(18.42)		4,936.02	5,469.20	(39.84)	0.00
GNMA	2007A Single Family				3,740.86	4,174.16			(3,740.86)				(433.30)	0.00
GNMA	2007A Single Family	5.25	10/15/09	09/20/39	3,521.60	3,876.22			(14.22)		3,507.38	3,843.26	(18.74)	0.00
GNMA	2007A Single Family	5.25	10/29/09	10/20/39	13,193.40	14,522.21			(53.18)		13,140.22	14,376.54	(92.49)	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	3,037.43	3,343.42			(12.28)		3,025.15	3,314.82	(16.32)	0.00
GNMA	2007A Single Family	6.00	11/24/09	09/20/39	5,220.93	5,826.55			(18.37)		5,202.56	5,772.39	(35.79)	0.00
GNMA	2007A Single Family	5.25	11/24/09	10/20/39	9,180.65	10,105.59			(40.45)		9,140.20	10,017.27	(47.87)	0.00
GNMA	2007A Single Family	5.25	05/18/10	04/20/40	43,009.59	47,351.85			(5,686.04)		37,323.55	40,848.74	(817.07)	0.00
GNMA	2007A Single Family	5.25	05/25/10	05/20/40	41,727.52	45,919.74			(189.82)		41,537.70	45,509.28	(220.64)	0.00
GNMA	2007A Single Family	6.00	12/17/09	11/20/39	6,181.02	6,898.27			(22.29)		6,158.73	6,833.47	(42.51)	0.00
GNMA	2007A Single Family	5.25	12/17/09	12/20/39	14,254.47	15,691.01			(65.78)		14,188.69	15,530.27	(94.96)	0.00
GNMA	2007A Single Family	5.25	12/17/09	11/20/39	3,209.49	3,532.90			(12.77)		3,196.72	3,503.28	(16.85)	0.00
GNMA	2007A Single Family	6.00	12/29/09	12/20/39	9,816.58	10,955.85			(33.93)		9,782.65	10,850.61	(71.31)	0.00
GNMA	2007A Single Family	5.25	01/20/10	12/20/39	12,833.88	14,127.75			(50.53)		12,783.35	14,009.06	(68.16)	0.00
GNMA	2007A Single Family	5.25	01/27/10	12/20/39	9,934.06	10,935.69			(39.13)		9,894.93	10,844.60	(51.96)	0.00
GNMA	2007A Single Family	6.00	01/27/10	12/20/39	2,558.97	2,856.06			(12.68)		2,546.29	2,825.44	(17.94)	0.00
GNMA	2007A Single Family	5.25	02/17/10	01/20/40	4,986.36	5,489.25			(20.67)		4,965.69	5,440.54	(28.04)	0.00
GNMA	2007A Single Family	5.25	02/23/10	12/20/39	4,326.07	4,762.35			(17.07)		4,309.00	4,721.52	(23.76)	0.00
GNMA	2007A Single Family	5.25	02/23/10	02/20/40	19,908.61	21,916.62			(77.51)		19,831.10	21,731.64	(107.47)	0.00
GNMA	2007A Single Family	6.00	03/16/10	03/20/40	3,038.51	3,391.45			(11.92)		3,026.59	3,356.98	(22.55)	0.00
GNMA	2007A Single Family	5.25	03/17/10	03/20/40	2,621,293.34	2,761,112.22			(736,429.41)		1,884,863.93	1,969,985.61	(54,697.20)	0.00
GNMA	2007A Single Family	5.25	03/30/10	03/20/40	57,598.03	63,380.77			(354.18)		57,243.85	62,721.35	(305.24)	0.00
GNMA	2007A Single Family	5.25	03/30/10	02/20/40	2,738.65	3,014.98			(11.00)		2,727.65	2,988.65	(15.33)	0.00
GNMA	2007A Single Family	5.25	04/13/10	03/20/40	7,573.77	8,338.12			(73.22)		7,500.55	8,216.85	(48.05)	0.00
GNMA	2007A Single Family	5.25	04/13/10	04/20/40	48,912.85	53,713.29			(324.07)		48,588.78	53,187.44	(201.78)	0.00
GNMA	2007A Single Family	5.25	04/13/10	04/20/40	8,304.21	9,142.30			(34.33)		8,269.88	9,061.19	(46.78)	0.00
GNMA	2007A Single Family	5.25	04/22/10	04/20/40	51,583.50	56,789.97			(6,156.62)		45,426.88	49,763.95	(869.40)	0.00
GNMA	2007A Single Family	5.25	04/22/10	04/20/40	2,485.40	2,736.24			(9.80)		2,475.60	2,712.64	(13.80)	0.00
GNMA	2007A Single Family	5.25	04/28/10	04/20/40	45,676.88	50,287.47			(2,130.55)		43,546.33	47,719.98	(436.94)	0.00
GNMA	2007A Single Family	5.25	06/15/10	06/20/40	68,274.11	75,169.77			(4,755.78)		63,518.33	69,597.78	(816.21)	0.00
GNMA	2007A Single Family	5.25	07/20/10	07/20/40	32,390.06	35,662.82			(3,073.05)		29,317.01	32,131.64	(458.13)	0.00
GNMA	2007A Single Family	5.25	07/28/10	06/20/40	2,458.40	2,706.82			(10.97)		2,447.43	2,682.65	(13.20)	0.00
GNMA	2007A Single Family	5.25	07/28/10	07/20/40	44,997.44	49,544.40			(6,824.86)		38,172.58	41,765.96	(953.58)	0.00
GNMA	2007A Single Family	5.25	08/17/10	07/20/40	35,560.43	39,154.61			(137.62)		35,422.81	38,816.12	(200.87)	0.00
GNMA	2007A Single Family	5.25	08/24/10	08/20/40	25,728.79	28,345.92			(97.45)		25,631.34	28,156.41	(92.06)	0.00
GNMA	2007A Single Family	5.25	09/14/10	08/20/40	16,218.69	17,858.50			(3,473.14)		12,745.55	13,971.19	(414.17)	0.00
GNMA	2007A Single Family	5.25	06/29/10	04/20/40	8,020.50	8,830.62			(30.70)		7,989.80	8,754.72	(45.20)	0.00
GNMA	2007A Single Family	5.25	06/29/10	06/20/40	45,386.39	49,971.13			(174.68)		45,211.71	49,521.44	(275.01)	0.00
GNMA	2007A Single Family	5.25	09/21/10	08/20/40	28,250.27	31,285.31			(119.76)		28,130.51	30,901.24	(264.31)	0.00
GNMA	2007A Single Family	5.25	10/19/10	10/20/40	45,652.77	50,559.13			(8,353.61)		37,299.16	40,742.85	(1,462.67)	0.00
GNMA	2007A Single Family	5.25	11/09/10	10/20/40	15,566.56	17,239.87			(58.51)		15,508.05	17,037.53	(143.83)	0.00
GNMA	2007A Single Family	5.25	12/21/10	11/15/40	6,480.83	7,048.20			(24.49)		6,456.34	7,036.97	13.26	0.00
FNMA	2007A Single Family	6.00	12/11/07	12/01/37	2,318.05	2,541.66			(9.57)		2,308.48	2,536.60	4.51	0.00
FNMA	2007A Single Family	5.25	12/11/07	11/01/37	7,094.38	7,721.20			(32.96)		7,061.42	7,632.78	(55.46)	0.00
FNMA	2007A Single Family	5.25	12/12/07	12/01/37	38,837.26	42,528.47			(13,047.92)		25,789.34	28,153.64	(1,326.91)	0.00
FNMA	2007A Single Family	5.25	12/20/07	11/01/37	4,730.82	5,149.56			(23.18)		4,707.64	5,090.16	(36.22)	0.00
FNMA	2007A Single Family	6.00	12/20/07	12/01/37	3,116.85	3,417.49			(12.88)		3,103.97	3,410.67	6.06	0.00
FNMA	2007A Single Family	5.25	12/20/07	12/01/37	12,943.62	14,091.22			(61.87)		12,881.75	13,935.93	(93.42)	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	11,648.72	12,710.02			(61.66)		11,587.06	12,550.79	(97.57)	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	3,461.83	3,767.26			(16.02)		3,445.81	3,732.55	(18.69)	0.00
FNMA	2007A Single Family	6.00	01/16/08	12/01/37	8,498.81	9,334.19			(2,962.82)		5,535.99	6,093.06	(278.31)	0.00
FNMA	2007A Single Family	5.25	01/16/08	12/01/37	31,214.92	34,238.92			(184.81)		31,030.11	34,015.18	(38.93)	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	4,346.94	4,762.41			(24.96)		4,321.98	4,699.46	(37.99)	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	11,452.28	12,596.69			(72.59)		11,379.69	12,535.96	11.86	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	4,251.87	4,634.01			(19.39)		4,232.48	4,583.93	(30.69)	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	6,035.72	6,580.16			(27.98)		6,007.74	6,503.18	(49.00)	0.00

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FNMA	2007A Single Family	6.00	02/13/08	02/01/38	5,995.01	6,584.51			(2,580.35)		3,414.66	3,758.42	(245.74)	0.00
FNMA	2007A Single Family	5.25	02/13/08	02/01/38	9,996.99	10,895.51			(46.42)		9,950.57	10,767.56	(81.53)	0.00
FNMA	2007A Single Family	5.25	02/13/08	01/01/38	11,993.86	13,072.79			(55.19)		11,938.67	12,921.14	(96.46)	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,045.39	7,679.97			(37.73)		7,007.66	7,581.38	(60.86)	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,058.79	7,693.28			(32.15)		7,026.64	7,603.96	(57.17)	0.00
FNMA	2007A Single Family	6.00	02/19/08	02/01/38	2,365.04	2,597.62			(9.53)		2,355.51	2,592.66	4.57	0.00
FNMA	2007A Single Family	6.00	02/27/08	02/01/38	9,914.64	10,895.66			(4,517.73)		5,396.91	5,914.68	(463.25)	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	12,851.04	14,096.57			(3,914.08)		8,936.96	9,730.84	(451.65)	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	15,986.15	17,535.56			(161.33)		15,824.82	17,339.58	(34.65)	0.00
FNMA	2007A Single Family	6.00	03/20/08	03/01/38	12,356.07	13,591.54			(6,485.74)		5,870.33	6,461.71	(644.09)	0.00
FNMA	2007A Single Family				3,150.05	3,433.05			(3,150.05)				(283.00)	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	8,070.43	8,805.08			(39.03)		8,031.40	8,697.79	(68.26)	0.00
FNMA	2007A Single Family	6.00	03/27/08	03/01/38	10,833.01	11,898.69			(4,533.30)		6,299.71	6,942.02	(423.37)	0.00
FNMA	2007A Single Family	5.25	04/15/08	04/01/38	3,452.40	3,770.76			(142.97)		3,309.43	3,597.16	(30.63)	0.00
FNMA	2007A Single Family	6.00	02/04/09	10/01/38	1,446.66	1,589.37			(6.84)		1,439.82	1,585.23	2.70	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39	6,077.02	6,658.02			(28.30)		6,048.72	6,618.03	(11.69)	0.00
GNMA	2007A Single Family	5.25	09/16/09	08/20/39	4,881.46	5,360.55			(20.24)		4,861.22	5,301.18	(39.13)	0.00
GNMA	2007A Single Family	6.00	09/16/09	08/20/39	8,370.51	9,340.90			(29.67)		8,340.84	9,253.57	(97.66)	0.00
GNMA	2007A Single Family	6.00	09/29/09	09/20/39	2,609.86	2,912.44			(9.31)		2,600.55	2,885.52	(17.61)	0.00
GNMA	2007A Single Family	5.25	09/29/09	09/20/39	8,794.59	9,657.83			(39.25)		8,755.34	9,578.09	(40.49)	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	7,880.34	8,532.24			(36.70)		7,843.64	8,480.02	(15.52)	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	5,600.97	6,064.32			(29.70)		5,571.27	6,026.26	(8.36)	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	6,779.22	7,340.12			(31.37)		6,747.85	7,297.31	(11.44)	0.00
Freddie Mac	2007A Single Family	6.00	12/20/07	12/01/37	3,034.24	3,320.87			(12.43)		3,021.81	3,320.20	11.76	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	3,224.81	3,491.63			(14.83)		3,209.98	3,468.39	(8.41)	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	12,822.29	13,883.40			(60.72)		12,761.57	13,809.65	(13.03)	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	4,459.79	4,828.86			(20.50)		4,439.29	4,806.70	(1.66)	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	01/01/38	13,959.07	15,105.98			(79.69)		13,879.38	14,973.60	(52.69)	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	12/01/37	5,979.36	6,474.28			(27.50)		5,951.86	6,435.08	(11.70)	0.00
Freddie Mac	2007A Single Family	6.00	02/13/08	01/01/38	1,641.95	1,798.45			(8.38)		1,633.57	1,790.00	(0.07)	0.00
Freddie Mac	2007A Single Family	5.25	02/13/08	01/01/38	2,728.93	2,954.78			(12.45)		2,716.48	2,934.22	(8.11)	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	02/01/38	2,520.48	2,729.21			(11.46)		2,509.02	2,711.79	(5.96)	0.00
Freddie Mac	2007A Single Family	6.00	03/20/08	03/01/38	4,050.45	4,433.30			(16.48)		4,033.97	4,432.70	15.88	0.00
Freddie Mac	2007A Single Family				3,976.46	4,304.08			(3,976.46)				(327.62)	0.00
Freddie Mac	2007A Single Family	6.00	04/22/08	02/01/38	2,149.85	2,354.87			(9.48)		2,140.37	2,350.77	5.38	0.00
Freddie Mac	2007A Single Family	5.25	05/14/08	04/01/38	5,619.18	6,084.70			(25.19)		5,593.99	6,042.10	(17.41)	0.00
Freddie Mac	2007A Single Family	6.00	05/15/08	04/01/38	2,218.26	2,428.01			(8.92)		2,209.34	2,422.05	2.96	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	04/01/38	11,215.39	12,144.62			(50.77)		11,164.62	12,071.63	(22.22)	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	05/01/38	7,878.21	8,531.20			(4,010.68)		3,867.53	4,170.55	(349.97)	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	04/01/38	3,272.16	3,543.27			(15.96)		3,256.20	3,522.18	(5.13)	0.00
Freddie Mac	2007A Single Family				4,614.54	4,996.91			(4,614.54)				(382.37)	0.00
Freddie Mac	2007A Single Family	6.00	06/18/08	05/01/38	9,804.12	10,735.53			(5,884.39)		3,919.73	4,304.77	(546.37)	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	02/01/38	2,587.17	2,800.54			(27.12)		2,560.05	2,762.45	(10.97)	0.00
Freddie Mac	2007A Single Family	6.00	06/25/08	05/01/38	3,523.37	3,856.69			(13.96)		3,509.41	3,847.62	4.89	0.00
Freddie Mac	2007A Single Family	6.00	07/16/08	06/01/38	5,366.06	5,878.09			(30.62)		5,335.44	5,855.42	7.95	0.00
Freddie Mac	2007A Single Family	5.25	07/16/08	06/01/38	7,417.03	8,031.90			(4,769.73)		2,647.30	2,856.68	(405.49)	0.00
Freddie Mac	2007A Single Family	6.00	07/23/08	06/01/38	1,985.73	2,169.44			(15.90)		1,969.83	2,159.45	5.91	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	06/01/38	4,976.96	5,468.48			(2,878.20)		2,098.76	2,320.00	(270.28)	0.00
Freddie Mac	2007A Single Family	6.00	08/20/08	06/01/38	5,170.26	5,659.60			(20.80)		5,149.46	5,645.00	6.20	0.00
Freddie Mac	2007A Single Family	6.00	08/27/08	08/01/38	7,230.56	7,914.95			(28.36)		7,202.20	7,894.47	7.88	0.00
Freddie Mac	2007A Single Family	6.00	09/17/08	08/01/38	1,949.90	2,136.03			(16.13)		1,933.77	2,126.45	6.55	0.00
Freddie Mac	2007A Single Family	5.25	09/17/08	08/01/38	2,824.44	3,058.74			(12.74)		2,811.70	3,038.36	(7.64)	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	06/01/38	4,854.46	5,257.15			(21.60)		4,832.86	5,227.13	(8.42)	0.00
Freddie Mac	2007A Single Family	6.00	10/15/08	09/01/38	4,776.40	5,218.58			(3,214.86)		1,561.54	1,711.29	(292.43)	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	07/01/38	2,586.90	2,831.86			(10.16)		2,576.74	2,827.45	5.75	0.00
Freddie Mac	2007A Single Family	5.25	11/19/08	09/01/38	3,857.58	4,175.79			(17.92)		3,839.66	4,144.48	(13.39)	0.00
Freddie Mac	2007A Single Family	5.25	12/10/08	11/01/38	10,773.64	11,662.61			(47.24)		10,726.40	11,575.92	(39.45)	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Freddie Mac	2007A Single Family	6.00	12/17/08	11/01/38	2,246.35	2,459.16			(8.86)		2,237.49	2,456.96	6.66	0.00
Freddie Mac	2007A Single Family	5.25	01/14/09	11/01/38	2,813.35	3,045.57	0.19				2,813.54	3,044.44	(1.32)	0.00
Freddie Mac	2007A Single Family	6.00	01/14/09	11/01/38	6,985.80	7,647.76			(27.57)		6,958.23	7,630.58	10.39	0.00
Freddie Mac	2007A Single Family	6.00	02/18/09	01/01/39	4,564.54	4,987.57			(18.13)		4,546.41	4,985.77	16.33	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	10/01/38	1,619.38	1,726.17			(7.56)		1,611.82	1,703.39	(15.22)	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	12/01/38	2,344.84	2,505.68			(11.40)		2,333.44	2,473.50	(20.78)	0.00
Freddie Mac	2007A Single Family	4.75	03/11/09	12/01/38	2,785.55	2,969.34			(12.83)		2,772.72	2,932.45	(24.06)	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	02/01/39	1,890.66	2,035.21			(123.08)		1,767.58	1,911.68	(0.45)	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	01/01/39	2,578.62	2,786.64			(21.22)		2,557.40	2,757.27	(8.15)	0.00
<b>2007A Single Family Total</b>					<b>75,139,023.46</b>	<b>81,660,482.01</b>	<b>10,129,318.23</b>	<b>(3,727,034.41)</b>	<b>(5,292,119.93)</b>	<b>0.00</b>	<b>76,249,187.35</b>	<b>81,861,314.36</b>	<b>(909,331.54)</b>	<b>0.00</b>
GIC's	2007B Single Family	4.52	09/20/07	08/31/39	3,323,201.42	3,323,201.42	552,959.21				3,876,160.63	3,876,160.63	-	0.00
Repo Agmt	2007B Single Family	0.02	08/30/13	09/03/13	2,074,110.40	2,074,110.40	2,934,435.49				5,008,545.89	5,008,545.89	-	0.00
GNMA	2007B Single Family	5.25	12/28/07	12/20/37	269,424.97	290,131.30			(1,303.40)		268,121.57	288,266.27	(561.63)	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	124,857.31	133,713.30			(580.68)		124,276.63	132,291.18	(841.44)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	1,302,213.48	1,427,961.88			(128,555.94)		1,173,657.54	1,283,115.55	(16,290.39)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	107,703.95	117,917.31			(494.68)		107,209.27	117,193.78	(228.85)	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	177,216.04	189,785.78			(66,048.57)		111,167.47	118,189.92	(5,547.29)	0.00
GNMA	2007B Single Family	5.25	12/11/07	12/20/37	1,484,380.09	1,632,646.30			(123,218.98)		1,361,161.11	1,489,269.71	(20,157.61)	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	236,193.81	258,591.65			(1,092.94)		235,100.87	256,915.37	(583.34)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	534,686.64	588,098.17			(120,238.10)		414,448.54	452,165.70	(15,694.37)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	243,042.15	266,093.11			(1,224.02)		241,818.13	264,213.20	(655.89)	0.00
GNMA	2007B Single Family	5.25	12/20/07	11/20/37	116,414.07	127,454.40			(539.44)		115,874.63	126,665.99	(248.97)	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	49,333.38	54,386.03			(306.82)		49,026.56	53,882.86	(196.35)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	188,115.63	201,423.13			(844.80)		187,270.83	199,287.43	(1,290.90)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	248,323.25	269,629.75			(1,159.17)		247,164.08	267,984.33	(486.25)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	107,862.93	118,098.13			(489.03)		107,373.90	117,405.41	(203.69)	0.00
GNMA	2007B Single Family				101,458.93	110,164.23			(101,458.93)				(8,705.30)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	78,751.37	84,322.29			(352.40)		78,398.97	83,474.44	(495.45)	0.00
GNMA	2007B Single Family	6.00	01/16/08	12/20/37	168,008.39	179,903.97			(765.13)		167,243.26	178,014.16	(1,124.68)	0.00
GNMA	2007B Single Family	5.25	01/16/08	12/20/37	239,519.62	263,452.35			(1,201.17)		238,318.45	260,775.95	(1,475.23)	0.00
GNMA	2007B Single Family	5.25	01/16/08	01/20/38	1,608,196.94	1,763,571.04			(120,703.53)		1,487,493.41	1,626,414.55	(16,452.96)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	120,462.29	130,798.15			(549.66)		119,912.63	129,960.39	(288.10)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	176,797.20	193,576.05			(119,728.59)		57,068.61	62,401.09	(11,446.37)	0.00
GNMA	2007B Single Family	5.25	02/13/08	02/20/38	90,078.72	98,628.20			(426.00)		89,652.72	97,974.40	(227.80)	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	118,091.27	126,445.17			(542.82)		117,548.45	125,104.86	(797.49)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	128,049.78	140,200.57			(580.67)		127,469.11	139,280.24	(339.66)	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	252,970.62	278,252.75			(1,200.64)		251,769.98	275,492.77	(1,559.34)	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	257,681.90	275,899.90			(1,151.08)		256,530.82	273,018.37	(1,730.45)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	256,295.34	280,618.88			(133,225.26)		123,070.08	134,538.60	(12,855.02)	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	305,511.52	334,505.89			(1,467.64)		304,043.88	332,373.74	(664.51)	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	351,770.70	385,179.39			(1,657.79)		350,112.91	382,632.02	(889.58)	0.00
GNMA	2007B Single Family	6.00	04/08/08	04/20/38	153,559.33	164,382.13			(696.11)		152,863.22	162,676.57	(1,009.45)	0.00
GNMA	2007B Single Family	5.25	04/08/08	04/20/38	190,990.04	210,094.53			(1,437.61)		189,552.43	207,416.18	(1,240.74)	0.00
GNMA	2007B Single Family	6.00	03/12/08	03/20/38	100,091.77	107,701.53			(919.30)		99,172.47	106,104.77	(677.46)	0.00
GNMA	2007B Single Family	5.25	03/12/08	03/20/38	233,081.16	255,211.12			(1,051.25)		232,029.91	253,652.18	(507.69)	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	343,128.86	377,442.81			(106,640.40)		236,488.46	258,497.23	(12,305.18)	0.00
GNMA	2007B Single Family	6.00	02/19/08	01/20/38	188,089.21	201,383.76			(876.76)		187,212.45	199,254.28	(1,252.72)	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	203,793.90	224,166.67			(1,025.58)		202,768.32	221,934.62	(1,206.47)	0.00
GNMA	2007B Single Family	6.00	02/19/08	02/20/38	98,990.49	105,985.41			(503.80)		98,486.69	104,823.34	(658.27)	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	231,350.49	254,770.07			(1,224.98)		230,125.51	252,363.39	(1,181.70)	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	229,567.55	245,783.83			(122,250.80)		107,316.75	114,213.85	(9,319.18)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	85,933.07	94,090.33			(389.34)		85,543.73	93,554.26	(146.73)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	195,488.84	214,045.67			(905.41)		194,583.43	212,649.39	(490.87)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	57,785.51	63,270.82			(270.22)		57,515.29	62,882.56	(118.04)	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	176,942.96	189,441.95			(787.19)		176,155.77	187,468.52	(1,186.24)	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	327,877.77	360,657.45			(101,922.31)		225,955.46	247,002.60	(11,732.54)	0.00

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GNMA	2007B Single Family	5.25	03/27/08	03/20/38	141,882.96	155,356.28			(666.91)		141,216.05	154,367.81	(321.56)	0.00
GNMA	2007B Single Family	6.00	03/27/08	03/20/38	356,466.50	383,552.01			(84,069.39)		272,397.11	289,859.73	(9,622.89)	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	84,478.25	92,501.93			(391.82)		84,086.43	91,936.96	(173.15)	0.00
GNMA	2007B Single Family	6.00	04/15/08	04/20/38	80,382.70	86,923.04			(1,139.39)		79,243.31	85,258.68	(524.97)	0.00
GNMA	2007B Single Family	6.00	04/22/08	04/20/38	303,235.18	324,594.45			(65,691.00)		237,544.18	252,804.68	(6,098.77)	0.00
GNMA	2007B Single Family	6.00	05/07/08	04/20/38	200,654.87	214,779.69			(926.42)		199,728.45	212,494.79	(1,358.48)	0.00
GNMA	2007B Single Family	5.25	05/07/08	05/20/38	925,847.38	1,015,424.24			(4,635.09)		921,212.29	1,007,345.11	(3,444.04)	0.00
GNMA	2007B Single Family	5.25	05/07/08	04/20/38	145,065.41	158,847.84			(645.05)		144,420.36	157,798.64	(404.15)	0.00
GNMA	2007B Single Family	5.25	05/14/08	04/20/38	255,165.30	279,409.87			(120,069.72)		135,095.58	147,671.05	(11,669.10)	0.00
GNMA	2007B Single Family	6.00	05/21/08	05/20/38	130,156.44	139,310.78			(894.43)		129,262.01	137,493.80	(922.55)	0.00
GNMA	2007B Single Family	5.25	05/28/08	05/20/38	120,042.35	131,450.58			(477.63)		119,564.72	130,750.11	(222.84)	0.00
GNMA	2007B Single Family	6.00	05/28/08	05/20/38	249,106.40	266,621.72			(1,199.18)		247,907.22	263,713.63	(1,708.91)	0.00
GNMA	2007B Single Family	5.25	05/28/08	01/20/38	82,919.05	90,797.25			(380.58)		82,538.47	90,236.14	(180.53)	0.00
GNMA	2007B Single Family	6.00	06/11/08	06/20/38	148,521.36	158,955.13			(641.73)		147,879.63	157,277.77	(1,035.63)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	208,047.59	228,873.10			(1,448.38)		206,599.21	226,711.93	(712.79)	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	297,521.11	327,302.88			(1,477.00)		296,044.11	323,928.52	(1,897.36)	0.00
GNMA	2007B Single Family	6.00	07/09/08	07/20/38	564,260.53	606,577.57			(2,475.35)		561,785.18	600,094.83	(4,007.39)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	335,272.43	368,844.68			(127,983.46)		207,288.97	226,879.48	(13,981.74)	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	269,212.56	294,810.25			(1,185.99)		268,026.57	293,075.76	(548.50)	0.00
GNMA	2007B Single Family	6.00	07/16/08	07/20/38	50,358.45	54,469.37			(508.42)		49,850.03	53,589.11	(371.84)	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	298,314.87	319,265.67			(1,432.66)		296,882.21	315,792.77	(2,040.24)	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	234,285.75	257,740.84			(1,380.82)		232,904.93	254,939.72	(1,420.30)	0.00
GNMA	2007B Single Family	6.00	06/25/08	06/20/38	388,368.52	418,692.26			(2,184.08)		386,184.44	415,556.58	(951.60)	0.00
GNMA	2007B Single Family	5.25	06/25/08	06/20/38	348,487.39	381,618.16			(116,636.11)		231,851.28	253,218.84	(11,763.21)	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	508,522.55	557,764.99			(2,242.94)		506,279.61	553,315.79	(2,206.26)	0.00
GNMA	2007B Single Family	6.00	07/23/08	07/20/38	233,639.54	250,019.56			(1,031.84)		232,607.70	247,357.49	(1,630.23)	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	834,255.39	915,046.37			(258,975.92)		575,279.47	628,288.28	(27,782.17)	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	82,863.83	90,744.51			(363.79)		82,500.04	90,240.22	(140.50)	0.00
GNMA	2007B Single Family	6.00	07/29/08	07/20/38	36,624.43	39,191.40			(156.89)		36,467.54	38,780.75	(253.76)	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	244,252.38	267,483.26			(112,540.61)		131,711.77	144,033.94	(10,908.71)	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	322,410.69	353,075.22			(1,422.42)		320,988.27	351,031.00	(621.80)	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	62,045.51	66,387.70			(265.50)		61,780.01	65,683.37	(438.83)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	247,869.80	272,705.48			(109,751.43)		138,118.37	150,993.31	(11,960.74)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	356,734.88	391,577.52			(1,552.18)		355,182.70	388,424.40	(1,600.94)	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	636,127.44	684,137.45			(2,841.06)		633,286.38	676,829.64	(4,466.75)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	1,198,352.25	1,314,434.95			(261,089.99)		937,262.26	1,023,377.08	(29,967.88)	0.00
GNMA	2007B Single Family	5.25	08/13/08	07/20/38	791,698.81	868,385.20			(12,395.04)		779,303.77	852,584.89	(3,405.27)	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	71,135.38	76,116.70			(376.54)		70,758.84	75,242.66	(497.50)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	363,733.46	398,335.84			(236,014.52)		127,718.94	139,622.66	(22,698.66)	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	493,431.69	541,229.75			(99,274.96)		394,156.73	431,390.74	(10,564.05)	0.00
GNMA	2007B Single Family	6.00	08/20/08	08/20/38	152,396.08	163,064.58			(60,407.53)		91,988.55	97,813.05	(4,844.00)	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	602,665.72	663,046.67			(4,240.69)		598,425.03	655,049.85	(3,756.13)	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	96,852.23	106,311.24			(420.58)		96,431.65	105,426.76	(463.90)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	136,445.29	149,772.08			(596.27)		135,849.02	148,556.36	(619.45)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	101,928.94	111,884.42			(441.86)		101,487.08	110,957.61	(484.95)	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	163,424.03	174,861.07			(725.32)		162,698.71	172,995.61	(1,140.14)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	915,033.03	1,003,684.20			(4,323.06)		910,709.97	996,274.88	(3,086.26)	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	277,801.05	305,635.71			(1,857.01)		275,944.04	302,107.00	(1,671.70)	0.00
GNMA	2007B Single Family	6.00	09/10/08	09/20/38	287,005.85	309,332.75			(1,236.29)		285,769.56	307,347.36	(749.10)	0.00
GNMA	2007B Single Family	5.25	09/10/08	09/20/38	879,629.06	964,868.65			(4,074.09)		875,554.97	957,825.44	(2,969.12)	0.00
GNMA	2007B Single Family	5.25	09/10/08	08/20/38	485,147.51	532,157.07			(128,736.69)		356,410.82	389,318.59	(14,101.79)	0.00
GNMA	2007B Single Family	5.25	09/17/08	09/20/38	219,449.75	240,335.49			(4,820.71)		214,629.04	234,739.32	(775.46)	0.00
GNMA	2007B Single Family	5.25	09/17/08	08/20/38	227,813.97	250,069.80			(987.41)		226,826.56	248,055.50	(1,026.89)	0.00
GNMA	2007B Single Family	5.25	09/24/08	07/20/38	112,051.70	122,998.53			(488.76)		111,562.94	122,013.41	(496.36)	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	185,411.53	198,368.51			(796.09)		184,615.44	196,251.95	(1,320.47)	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	626,615.34	687,345.94			(81,502.85)		545,112.49	596,412.76	(9,430.33)	0.00
GNMA	2007B Single Family	5.25	09/24/08	08/20/38	88,010.01	96,830.83			(559.34)		87,450.67	95,722.41	(549.08)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/ Purchases	Amortizations/ Sales		Ending Carrying Value	Ending Market Value	Change In Market Value	Recognized Gain
Type	Issue	Rate	Date	Date	05/31/13	05/31/13			Maturities	Transfers	08/31/13	08/31/13	
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	133,757.85	146,489.08			(604.95)		133,152.90	145,618.00	(266.13) 0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	297,522.31	318,313.79			(85,152.56)		212,369.75	225,710.32	(7,450.91) 0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	305,046.54	334,081.18			(1,391.48)		303,655.06	332,106.17	(583.53) 0.00
GNMA	2007B Single Family	6.00	10/08/08	10/20/38	512,536.12	552,354.70			(2,298.61)		510,237.51	548,811.25	(1,244.84) 0.00
GNMA	2007B Single Family	5.25	10/08/08	09/20/38	204,527.90	224,514.55			(891.31)		203,636.59	222,626.77	(996.47) 0.00
GNMA	2007B Single Family	6.00	10/15/08	09/20/38	116,216.50	124,330.49			(500.00)		115,716.50	123,006.32	(824.17) 0.00
GNMA	2007B Single Family	6.00	10/15/08	06/20/38	84,682.59	90,599.28			(365.12)		84,317.47	89,685.99	(548.17) 0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	380,641.03	409,274.54			(1,688.86)		378,952.17	404,870.97	(2,714.71) 0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	692,846.44	760,019.88			(3,397.61)		689,448.83	754,377.06	(2,245.21) 0.00
GNMA	2007B Single Family	5.25	10/22/08	09/20/38	150,598.07	165,697.01			(2,888.92)		147,709.15	161,690.15	(1,117.94) 0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	241,260.61	258,679.96			(2,076.66)		239,183.95	254,838.43	(1,764.87) 0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	401,611.89	440,865.81			(1,720.89)		399,891.00	437,255.53	(1,889.39) 0.00
GNMA	2007B Single Family	5.25	10/22/08	08/20/38	123,198.79	134,927.71			(695.04)		122,503.75	133,984.51	(248.16) 0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	141,490.00	155,320.33			(611.57)		140,878.43	154,065.38	(643.38) 0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	303,315.26	326,860.25			(1,306.97)		302,008.29	324,765.14	(788.14) 0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	167,693.33	179,391.37			(759.41)		166,933.92	177,443.50	(1,188.46) 0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	375,656.95	412,376.49			(1,613.66)		374,043.29	408,923.35	(1,839.48) 0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	221,700.29	243,370.94			(962.68)		220,737.61	241,328.39	(1,079.87) 0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	227,946.20	243,847.45			(1,312.17)		226,634.03	240,891.21	(1,644.07) 0.00
GNMA	2007B Single Family				184,256.00	201,800.16			(184,256.00)				(17,544.16) 0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	621,779.91	668,502.37			(2,734.77)		619,045.14	661,256.64	(4,510.96) 0.00
GNMA	2007B Single Family	5.25	11/12/08	10/20/38	104,939.53	114,933.58			(979.31)		103,960.22	113,838.87	(115.40) 0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	115,611.67	123,669.63			(485.91)		115,125.76	122,423.70	(760.02) 0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	241,003.14	257,799.69			(1,050.51)		239,952.63	255,034.86	(1,714.32) 0.00
GNMA	2007B Single Family	5.25	11/19/08	11/20/38	116,314.39	127,687.08			(500.88)		115,813.51	126,670.33	(515.87) 0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	79,253.17	84,776.65			(385.06)		78,868.11	83,830.69	(560.90) 0.00
GNMA	2007B Single Family	5.25	11/25/08	11/20/38	143,849.39	157,915.06			(628.00)		143,221.39	156,627.99	(659.07) 0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	143,452.79	153,445.64			(648.77)		142,804.02	151,792.88	(1,003.99) 0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	348,933.77	373,240.20			(1,458.76)		347,475.01	369,417.52	(2,363.92) 0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	585,127.06	628,727.93			(2,582.94)		582,544.12	622,290.63	(3,854.36) 0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	780,611.50	858,924.12			(437,252.69)		343,358.81	375,730.68	(45,940.75) 0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	138,198.47	151,713.73			(587.59)		137,610.88	150,448.54	(677.60) 0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	275,573.30	294,756.96			(1,234.96)		274,338.34	291,647.32	(1,874.68) 0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	49,848.52	53,317.60			(214.08)		49,634.44	52,758.31	(345.21) 0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	68,490.32	73,255.62			(309.63)		68,180.69	72,466.71	(479.28) 0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	129,229.13	138,220.41			(614.43)		128,614.70	136,705.98	(900.00) 0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	68,482.61	73,248.41			(286.12)		68,196.49	72,477.34	(484.95) 0.00
GNMA	2007B Single Family	6.00	02/18/09	01/20/39	72,353.24	77,372.08			(399.68)		71,953.56	76,457.58	(514.82) 0.00
GNMA	2007B Single Family	5.25	02/25/09	02/20/39	70,349.97	77,059.01			(314.67)		70,035.30	76,588.34	(156.00) 0.00
GNMA	2007B Single Family	5.49	02/25/09	01/20/39	75,945.73	79,917.65			(337.88)		75,607.85	79,294.51	(285.26) 0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	349,531.54	373,764.16			(1,626.28)		347,905.26	369,605.66	(2,532.22) 0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	125,112.94	137,359.25			(528.58)		124,584.36	136,228.79	(601.88) 0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	124,255.88	136,104.37			(905.72)		123,350.16	134,880.41	(318.24) 0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	322,208.76	344,547.11			(129,834.81)		192,373.95	204,432.79	(10,279.51) 0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	64,561.45	69,037.42			(268.00)		64,293.45	68,312.42	(457.00) 0.00
GNMA	2007B Single Family	5.25	03/11/09	02/20/39	139,801.84	153,136.30			(648.21)		139,153.63	152,222.31	(265.78) 0.00
GNMA	2007B Single Family	5.25	03/11/09	01/20/39	116,208.29	127,585.28			(487.85)		115,720.44	126,537.49	(559.94) 0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39	126,396.00	135,153.36			(598.68)		125,797.32	133,700.67	(854.01) 0.00
GNMA	2007B Single Family	6.00	03/18/09	03/20/39	231,462.45	247,491.28			(952.08)		230,510.37	244,906.05	(1,633.15) 0.00
GNMA	2007B Single Family	5.25	03/25/09	12/20/38	55,886.01	61,357.89			(264.04)		55,621.97	60,830.72	(263.13) 0.00
GNMA	2007B Single Family	6.00	03/25/09	03/20/39	64,301.72	68,753.23			(262.35)		64,039.37	68,039.81	(451.07) 0.00
GNMA	2007B Single Family	6.00	04/08/09	10/20/38	72,893.87	77,942.54			(747.62)		72,146.25	76,652.36	(542.56) 0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	105,879.66	115,969.68			(465.70)		105,413.96	115,257.19	(246.79) 0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	75,252.25	80,484.96			(324.30)		74,927.95	79,608.29	(552.37) 0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	90,070.18	96,333.32			(376.32)		89,693.86	95,326.16	(630.84) 0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	197,813.79	211,568.91			(863.13)		196,950.66	209,321.84	(1,383.94) 0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	556,990.28	611,476.65			(50,245.92)		506,744.36	553,914.13	(7,316.60) 0.00



**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	6.00	01/14/09	12/20/38	176,139.42	188,379.43			(741.34)		175,398.08	186,410.80	(1,227.29)	0.00
GNMA	2007B Single Family	5.25	01/14/09	01/20/39	312,182.74	341,939.39			(1,403.39)		310,779.35	339,880.84	(655.16)	0.00
GNMA	2007B Single Family	5.25	01/14/09	12/20/38	114,881.04	126,120.83			(488.48)		114,392.56	125,082.90	(549.45)	0.00
GNMA	2007B Single Family	6.00	01/14/09	01/20/39	478,131.04	513,664.12			(2,080.88)		476,050.16	508,251.99	(3,331.25)	0.00
GNMA	2007B Single Family	6.00	01/21/09	01/20/39	230,370.63	246,370.34			(109,686.50)		120,684.13	128,263.93	(8,419.91)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	65,127.34	69,646.37			(273.37)		64,853.97	68,906.20	(466.80)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	181,710.38	199,494.91			(833.14)		180,877.24	197,776.02	(885.75)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	226,556.50	248,157.95			(1,060.58)		225,495.92	246,570.08	(527.29)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	157,246.37	168,157.34			(79,372.09)		77,874.28	83,217.61	(5,567.64)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	124,688.47	136,892.08			(524.44)		124,164.03	135,808.17	(559.47)	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	165,914.66	181,734.11			(728.77)		165,185.89	180,637.02	(368.32)	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	136,289.51	145,746.36			(562.41)		135,727.10	144,210.31	(973.64)	0.00
GNMA	2007B Single Family				102,968.52	110,063.05			(102,968.52)				(7,094.53)	0.00
GNMA	2007B Single Family	5.25	10/15/09	09/20/39	97,729.93	107,571.26			(394.63)		97,335.30	106,656.75	(519.88)	0.00
GNMA	2007B Single Family	5.25	10/29/09	10/20/39	366,137.89	403,014.53			(1,475.90)		364,661.99	398,972.07	(2,566.56)	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	84,293.08	92,785.28			(340.95)		83,952.13	91,991.62	(452.71)	0.00
GNMA	2007B Single Family	6.00	11/24/09	09/20/39	143,799.97	153,632.70			(565.14)		143,234.83	152,204.48	(863.08)	0.00
GNMA	2007B Single Family	5.25	11/24/09	10/20/39	254,778.52	280,446.37			(1,122.50)		253,656.02	277,995.40	(1,328.47)	0.00
GNMA	2007B Single Family	5.25	05/18/10	04/20/40	1,193,584.27	1,314,089.21			(157,796.76)		1,035,787.51	1,133,617.43	(22,675.02)	0.00
GNMA	2007B Single Family	5.25	05/25/10	05/20/40	1,158,004.18	1,274,345.78			(5,267.38)		1,152,736.80	1,262,954.92	(6,123.48)	0.00
GNMA	2007B Single Family	6.00	12/17/09	11/20/39	170,266.00	181,891.52			(684.16)		169,581.84	180,182.82	(1,024.54)	0.00
GNMA	2007B Single Family	5.25	12/17/09	12/20/39	395,583.91	435,450.56			(1,825.40)		393,758.51	430,989.82	(2,635.34)	0.00
GNMA	2007B Single Family	5.25	12/17/09	11/20/39	89,067.80	98,043.71			(353.91)		88,713.89	97,221.87	(467.93)	0.00
GNMA	2007B Single Family	6.00	12/29/09	12/20/39	270,429.46	288,880.35			(1,045.89)		269,383.57	286,105.58	(1,728.88)	0.00
GNMA	2007B Single Family	5.25	01/20/10	12/20/39	356,161.11	392,067.77			(1,402.36)		354,758.75	388,773.92	(1,891.49)	0.00
GNMA	2007B Single Family	5.25	01/27/10	12/20/39	275,687.09	303,482.86			(1,085.87)		274,601.22	300,955.03	(1,441.96)	0.00
GNMA	2007B Single Family	6.00	01/27/10	12/20/39	70,503.99	75,307.85			(378.06)		70,125.93	74,500.39	(429.40)	0.00
GNMA	2007B Single Family	5.25	02/17/10	01/20/40	138,379.89	152,335.70			(573.68)		137,806.21	150,983.78	(778.24)	0.00
GNMA	2007B Single Family	5.25	02/23/10	12/20/39	120,055.03	132,163.02			(473.64)		119,581.39	131,029.78	(659.60)	0.00
GNMA	2007B Single Family	5.25	02/23/10	02/20/40	552,495.69	608,221.20			(2,151.33)		550,344.36	603,087.73	(2,982.14)	0.00
GNMA	2007B Single Family	6.00	03/16/10	03/20/40	83,735.31	89,424.87			(362.58)		83,372.73	88,515.84	(546.45)	0.00
GNMA	2007B Single Family	5.25	03/30/10	03/20/40	1,598,436.60	1,758,917.03			(9,828.73)		1,588,607.87	1,740,617.23	(8,471.07)	0.00
GNMA	2007B Single Family	5.25	03/30/10	02/20/40	76,002.12	83,670.70			(305.27)		75,696.85	82,939.75	(425.68)	0.00
GNMA	2007B Single Family	5.25	04/13/10	03/20/40	210,184.57	231,396.00			(2,032.34)		208,152.23	228,030.62	(1,333.04)	0.00
GNMA	2007B Single Family	5.25	04/13/10	04/20/40	1,357,409.16	1,490,629.13			(8,993.58)		1,348,415.58	1,476,035.94	(5,599.61)	0.00
GNMA	2007B Single Family	5.25	04/13/10	04/20/40	230,455.17	253,713.33			(952.86)		229,502.31	251,462.41	(1,298.06)	0.00
GNMA	2007B Single Family	5.25	04/22/10	04/20/40	1,431,524.37	1,576,012.01			(170,855.89)		1,260,668.48	1,381,028.71	(24,127.41)	0.00
GNMA	2007B Single Family	5.25	04/22/10	04/20/40	68,973.61	75,935.32			(272.03)		68,701.58	75,280.21	(383.08)	0.00
GNMA	2007B Single Family	5.25	04/28/10	04/20/40	1,267,606.01	1,395,557.39			(59,126.03)		1,208,479.98	1,324,305.38	(12,125.98)	0.00
GNMA	2007B Single Family	5.25	06/15/10	06/20/40	1,894,715.22	75,118.73			(131,980.47)		1,762,734.75	1,931,449.00	1,988,310.74	0.00
GNMA	2007B Single Family	5.25	07/20/10	07/20/40	898,875.93	2,086,080.53			(85,282.00)		813,593.93	891,704.22	(1,109,094.31)	0.00
GNMA	2007B Single Family	5.25	07/28/10	06/20/40	68,224.88	989,699.99			(304.19)		67,920.69	74,447.97	(914,947.83)	0.00
GNMA	2007B Single Family	5.25	07/28/10	07/20/40	1,248,750.27	1,374,935.97			(189,400.51)		1,059,349.76	1,159,071.72	(26,463.74)	0.00
GNMA	2007B Single Family	5.25	08/17/10	07/20/40	986,858.80	1,086,602.44			(3,819.06)		983,039.74	1,077,208.77	(5,574.61)	0.00
GNMA	2007B Single Family	5.25	08/24/10	08/20/40	714,014.86	786,644.41			(2,704.66)		711,310.20	781,385.05	(2,554.70)	0.00
GNMA	2007B Single Family	5.25	09/14/10	08/20/40	450,094.31	495,601.71			(96,384.93)		353,709.38	387,722.66	(11,494.12)	0.00
GNMA	2007B Single Family	5.25	06/29/10	04/20/40	222,581.43	245,063.80			(852.16)		221,729.27	242,957.57	(1,254.07)	0.00
GNMA	2007B Single Family	5.25	06/29/10	06/20/40	1,259,545.29	1,386,778.36			(4,847.82)		1,254,697.47	1,374,298.75	(7,631.79)	0.00
GNMA	2007B Single Family	5.25	09/21/10	08/20/40	783,990.35	868,216.94			(3,323.49)		780,666.86	857,558.37	(7,335.08)	0.00
GNMA	2007B Single Family	5.25	10/19/10	10/20/40	1,266,937.02	1,403,096.32			(231,825.88)		1,035,111.14	1,130,678.93	(40,591.51)	0.00
GNMA	2007B Single Family	5.25	11/09/10	10/20/40	431,996.54	478,433.90			(1,623.88)		430,372.66	472,818.80	(3,991.22)	0.00
GNMA	2007B Single Family	5.25	12/21/10	11/15/40	179,853.55	195,598.78			(679.52)		179,174.03	195,287.32	368.06	0.00
FNMA	2007B Single Family	6.00	12/11/07	12/01/37	63,536.15	67,017.77			(287.09)		63,249.06	66,884.31	153.63	0.00
FNMA	2007B Single Family	5.25	12/11/07	11/01/37	196,556.71	214,275.61			(909.92)		195,646.79	211,821.79	(1,543.90)	0.00
FNMA	2007B Single Family	5.25	12/12/07	12/01/37	1,076,022.15	1,180,232.52			(361,492.54)		714,529.61	781,308.27	(37,431.71)	0.00
FNMA	2007B Single Family	5.25	12/20/07	11/01/37	131,072.00	142,908.52			(639.47)		130,432.53	141,260.22	(1,008.83)	0.00
FNMA	2007B Single Family	6.00	12/20/07	12/01/37	85,432.33	90,111.50			(386.54)		85,045.79	89,931.53	206.57	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2007B Single Family	5.25	12/20/07	12/01/37	358,612.89	391,053.77			(1,707.83)		356,905.06	386,744.11	(2,601.83)	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	322,738.09	352,723.24			(1,703.06)		321,035.03	348,304.47	(2,715.71)	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	95,914.00	104,547.67			(442.12)		95,471.88	103,584.34	(521.21)	0.00
FNMA	2007B Single Family	6.00	01/16/08	12/01/37	233,359.22	246,121.12			(81,415.70)		151,943.52	160,659.95	(4,045.47)	0.00
FNMA	2007B Single Family	5.25	01/16/08	12/01/37	866,263.75	950,184.42			(5,128.82)		861,134.93	943,975.20	(1,080.40)	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	120,633.35	132,164.51			(692.50)		119,940.85	130,417.49	(1,054.52)	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	314,479.97	332,145.44			(2,121.89)		312,358.08	330,544.14	520.59	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	117,997.15	128,601.13			(538.08)		117,459.07	127,211.48	(851.57)	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	167,501.56	182,610.07			(776.67)		166,724.89	180,473.64	(1,359.76)	0.00
FNMA	2007B Single Family	6.00	02/13/08	11/01/37	164,626.31	173,618.40			(70,896.31)		93,730.00	99,100.86	(3,621.23)	0.00
FNMA	2007B Single Family	5.25	02/13/08	02/01/38	277,431.39	302,367.78			(1,288.14)		276,143.25	298,816.86	(2,262.78)	0.00
FNMA	2007B Single Family	5.25	02/13/08	01/01/38	332,848.41	362,790.87			(1,531.67)		331,316.74	358,582.21	(2,676.99)	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	195,521.83	213,131.39			(1,047.11)		194,474.72	210,395.39	(1,688.89)	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	195,893.55	213,501.00			(892.18)		195,001.37	211,022.13	(1,586.69)	0.00
FNMA	2007B Single Family	6.00	02/19/08	02/01/38	64,950.75	68,493.27			(288.09)		64,662.66	68,362.64	157.46	0.00
FNMA	2007B Single Family	6.00	02/27/08	02/01/38	272,290.55	287,293.28			(124,133.57)		148,156.98	155,956.55	(7,203.16)	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	356,636.13	391,202.38			(108,621.92)		248,014.21	270,046.53	(12,533.93)	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	443,640.94	486,639.95			(4,477.14)		439,163.80	481,201.02	(961.79)	0.00
FNMA	2007B Single Family	6.00	03/20/08	03/01/38	339,378.80	358,377.30			(178,205.81)		161,172.99	170,380.38	(9,791.11)	0.00
FNMA	2007B Single Family				87,418.95	95,272.86			(87,418.95)				(7,853.91)	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	223,966.73	244,355.04			(1,083.00)		222,883.73	241,377.53	(1,894.51)	0.00
FNMA	2007B Single Family	6.00	03/27/08	03/01/38	297,551.15	313,740.94			(124,587.58)		172,963.57	183,045.18	(6,108.18)	0.00
FNMA	2007B Single Family	5.25	04/15/08	04/01/38	95,810.00	104,644.95			(3,967.56)		91,842.44	99,827.06	(850.33)	0.00
FNMA	2007B Single Family	6.00	02/04/09	10/01/38	39,787.88	41,908.32			(204.43)		39,583.45	41,798.98	95.09	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39	168,646.57	184,770.93			(785.33)		167,861.24	183,661.06	(324.54)	0.00
GNMA	2007B Single Family	5.25	09/16/09	08/20/39	135,469.20	148,763.71			(561.74)		134,907.46	147,116.09	(1,085.88)	0.00
GNMA	2007B Single Family	6.00	09/16/09	08/20/39	230,484.55	246,297.99			(911.42)		229,573.13	243,995.44	(1,391.13)	0.00
GNMA	2007B Single Family	6.00	09/29/09	09/20/39	71,867.66	76,794.53			(285.72)		71,581.94	76,084.61	(424.20)	0.00
GNMA	2007B Single Family	5.25	09/29/09	09/20/39	244,064.20	268,020.26			(1,089.28)		242,974.92	265,807.31	(1,123.67)	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	218,691.86	236,783.50			(1,018.31)		217,673.55	235,334.22	(430.97)	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	155,435.99	168,294.74			(824.16)		154,611.83	167,238.60	(231.98)	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	188,134.52	203,700.12			(870.49)		187,264.03	202,512.09	(317.54)	0.00
Freddie Mac	2007B Single Family	6.00	12/20/07	12/01/37	83,301.31	87,563.74			(375.38)		82,925.93	87,546.18	357.82	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	89,494.02	96,898.44			(411.72)		89,082.30	96,253.37	(233.35)	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	355,839.01	385,286.52			(1,685.02)		354,153.99	383,239.74	(361.76)	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	123,766.46	134,008.79			(568.88)		123,197.58	133,393.62	(46.29)	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	01/01/38	387,385.82	419,215.05			(2,211.57)		385,174.25	415,541.40	(1,462.08)	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	12/01/37	165,937.92	179,671.56			(763.04)		165,174.88	178,583.73	(324.79)	0.00
Freddie Mac	2007B Single Family	6.00	02/13/08	01/01/38	45,088.04	47,421.06			(248.64)		44,839.40	47,198.24	25.82	0.00
Freddie Mac	2007B Single Family	5.25	02/13/08	01/01/38	75,731.15	82,000.05			(345.85)		75,385.30	81,429.53	(224.67)	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	02/01/38	70,052.22	75,739.91			(422.47)		69,629.75	75,256.50	(60.94)	0.00
Freddie Mac	2007B Single Family	6.00	03/20/08	03/01/38	111,134.65	116,896.10			(389.43)		110,745.22	116,880.25	373.58	0.00
Freddie Mac	2007B Single Family				110,353.03	119,444.98			(110,353.03)				(9,091.95)	0.00
Freddie Mac	2007B Single Family	6.00	04/22/08	02/01/38	59,051.60	62,092.68			(284.62)		58,766.98	61,984.53	176.47	0.00
Freddie Mac	2007B Single Family	5.25	05/14/08	04/01/38	155,940.61	168,860.27			(698.87)		155,241.74	167,678.05	(483.35)	0.00
Freddie Mac	2007B Single Family	6.00	05/15/08	04/01/38	60,936.95	64,021.15			(270.26)		60,666.69	63,863.98	113.09	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	04/01/38	311,244.52	337,032.47			(1,408.93)		309,835.59	335,007.00	(616.54)	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	05/01/38	218,638.30	236,754.34			(111,302.71)		107,335.59	115,739.52	(9,712.11)	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	04/01/38	90,807.26	98,331.55			(442.78)		90,364.48	97,746.24	(142.53)	0.00
Freddie Mac	2007B Single Family				128,060.90	138,672.41			(128,060.90)				(10,611.51)	0.00
Freddie Mac	2007B Single Family	6.00	06/18/08	05/01/38	269,368.65	283,071.06			(161,717.75)		107,650.90	113,506.92	(7,846.39)	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	02/01/38	71,798.68	77,719.37			(752.76)		71,045.92	76,662.54	(304.07)	0.00
Freddie Mac	2007B Single Family	6.00	06/25/08	05/01/38	96,807.16	101,691.91			(422.98)		96,384.18	101,452.79	183.86	0.00
Freddie Mac	2007B Single Family	6.00	07/16/08	06/01/38	147,450.47	154,991.59			(901.69)		146,548.78	154,393.90	304.00	0.00
Freddie Mac	2007B Single Family	5.25	07/16/08	06/01/38	205,834.36	222,898.08			(132,367.53)		73,466.83	79,277.54	(11,253.01)	0.00
Freddie Mac	2007B Single Family	6.00	07/23/08	06/01/38	54,566.53	57,203.15			(459.24)		54,107.29	56,939.82	195.91	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	06/01/38	136,772.77	144,191.28			(79,120.75)		57,652.02	61,173.14	(3,897.39)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change	Recognized
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/13	Market Value 05/31/13					Carrying Value 08/31/13	Market Value 08/31/13	In Market Value	
Freddie Mac	2007B Single Family	6.00	08/20/08	06/01/38	142,089.86	149,230.69			(629.97)		141,459.89	148,845.56	244.84	0.00
Freddie Mac	2007B Single Family	6.00	08/27/08	08/01/38	198,724.15	208,699.11			(860.22)		197,863.93	208,159.09	320.20	0.00
Freddie Mac	2007B Single Family	6.00	09/17/08	08/01/38	53,594.29	56,322.17			(465.00)		53,129.29	56,069.73	212.56	0.00
Freddie Mac	2007B Single Family	5.25	09/17/08	08/01/38	78,383.04	84,884.89			(353.64)		78,029.40	84,319.48	(211.77)	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	06/01/38	134,719.86	145,894.41			(599.40)		134,120.46	145,061.17	(233.84)	0.00
Freddie Mac	2007B Single Family	6.00	10/15/08	09/01/38	131,301.35	137,602.08			(88,392.70)		42,908.65	45,122.79	(4,086.59)	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	07/01/38	71,111.83	74,669.55			(308.88)		70,802.95	74,553.42	192.75	0.00
Freddie Mac	2007B Single Family	5.25	11/19/08	09/01/38	107,053.57	115,884.80			(497.06)		106,556.51	115,015.94	(371.80)	0.00
Freddie Mac	2007B Single Family	5.25	12/10/08	11/01/38	298,985.38	323,655.94			(1,310.77)		297,674.61	321,250.27	(1,094.90)	0.00
Freddie Mac	2007B Single Family	6.00	12/17/08	11/01/38	61,768.10	64,842.31			(268.66)		61,499.44	64,784.30	210.65	0.00
Freddie Mac	2007B Single Family	5.25	01/14/09	11/01/38	78,075.39	84,519.58			5.27		78,080.66	84,488.13	(36.72)	0.00
Freddie Mac	2007B Single Family	6.00	01/14/09	11/01/38	192,110.36	201,653.83			(836.77)		191,273.59	201,200.85	383.79	0.00
Freddie Mac	2007B Single Family	6.00	02/18/09	01/01/39	125,547.21	131,510.59			(550.02)		124,997.19	131,463.19	502.62	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	10/01/38	44,940.13	47,904.18			(209.86)		44,730.27	47,271.91	(422.41)	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	12/01/38	65,072.65	69,536.71			(316.43)		64,756.22	68,643.57	(576.71)	0.00
Freddie Mac	2007B Single Family	4.75	03/11/09	12/01/38	77,303.85	82,404.13			(356.11)		76,947.74	81,380.52	(667.50)	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	02/01/39	52,469.11	56,480.63			(3,415.82)		49,053.29	53,052.48	(12.33)	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	01/01/39	71,560.27	77,333.81			(588.84)		70,971.43	76,518.56	(226.41)	0.00
<b>2007B Single Family Total</b>					87,732,076.55	95,158,167.43	3,487,394.70	0.00	(7,636,553.60)	0.00	83,582,917.65	89,994,675.66	(1,014,332.87)	0.00
Repo Agmt	2013A SF Refunding	0.02	08/30/13	09/03/13			2,566,221.51				2,566,221.51	2,566,221.51	-	0.00
GNMA	2013A SF Refunding	5.45	07/24/00	06/20/30	180,661.63	197,999.74			(3,403.53)	209,968.00	387,226.10	422,982.54	18,418.33	0.00
GNMA	2013A SF Refunding	5.45	08/28/00	08/20/30	109,822.79	120,225.21			(905.92)	22,877.20	131,794.07	143,807.10	1,610.61	0.00
GNMA	2013A SF Refunding	5.45	06/22/99	06/20/29	199,187.07	218,613.79			(29,861.93)	80,470.85	249,795.99	273,239.34	4,016.63	0.00
GNMA	2013A SF Refunding	5.45	07/30/99	07/20/29	212,391.45	233,105.99			(2,975.62)	128,037.11	337,452.94	369,089.14	10,921.66	0.00
GNMA	2013A SF Refunding	5.45	08/26/99	08/20/29	95,864.53	104,950.58			(1,579.29)	109,466.17	203,751.41	222,543.39	9,705.93	0.00
GNMA	2013A SF Refunding	5.45	09/30/99	09/20/29	115,225.81	126,284.04			(1,257.44)	70,097.23	184,065.60	201,060.37	5,936.54	0.00
GNMA	2013A SF Refunding	5.45	10/29/99	10/20/29	269,605.91	295,479.99			(3,554.51)	182,932.60	448,984.00	490,223.18	15,365.10	0.00
GNMA	2013A SF Refunding	5.45	11/18/99	11/20/29	285,543.07	312,946.64			(24,441.33)	184,044.90	445,146.64	486,313.79	13,763.58	0.00
GNMA	2013A SF Refunding	5.45	05/30/00	05/20/30	137,660.98	151,301.81			(5,614.30)	67,311.00	199,357.68	218,386.36	5,387.85	0.00
GNMA	2013A SF Refunding	5.40	08/29/02	08/20/32	55,790.65	61,075.15			(660.17)		55,130.48	60,194.22	(220.76)	0.00
GNMA	2013A SF Refunding	6.15	11/12/02	11/20/32	44,063.07	49,094.64			(287.15)		43,775.92	48,527.79	(279.70)	0.00
GNMA	2013A SF Refunding	5.40	11/12/02	10/20/32	161,485.98	176,328.16			(97,332.22)		64,153.76	69,857.02	(9,138.92)	0.00
GNMA	2013A SF Refunding	6.15	09/12/02	08/20/32	55,794.95	62,235.93			(375.88)		55,419.07	61,490.79	(369.26)	0.00
GNMA	2013A SF Refunding	5.40	09/19/02	09/20/32	95,907.72	104,722.60			(695.49)		95,212.23	103,736.58	(290.53)	0.00
GNMA	2013A SF Refunding	6.15	09/26/02	09/20/32	156,367.20	174,515.19			(1,289.05)		155,078.15	172,073.16	(1,152.98)	0.00
GNMA	2013A SF Refunding	5.40	09/26/02	09/20/32	112,262.36	123,211.31			(49,254.98)		63,007.38	68,788.31	(5,168.02)	0.00
GNMA	2013A SF Refunding	6.15	10/10/02	09/20/32	99,495.24	110,980.98			(788.08)		98,707.16	109,459.33	(733.57)	0.00
GNMA	2013A SF Refunding	5.40	10/10/02	09/20/32	61,417.01	67,061.85			(430.75)		60,986.26	66,423.19	(207.91)	0.00
GNMA	2013A SF Refunding	6.15	10/21/02	10/20/32	92,657.42	103,411.24			(770.92)		91,886.50	101,991.26	(649.06)	0.00
GNMA	2013A SF Refunding	6.15	10/29/02	10/20/32	45,536.65	50,793.40			(298.14)		45,238.51	50,202.98	(292.28)	0.00
GNMA	2013A SF Refunding	5.40	10/29/02	09/20/32	44,496.74	48,767.09			(582.66)		43,914.08	48,000.28	(184.15)	0.00
GNMA	2013A SF Refunding	5.40	11/05/02	09/20/32	44,627.76	48,980.31			(507.57)		44,120.19	48,312.04	(160.70)	0.00
GNMA	2013A SF Refunding	6.15	11/19/02	11/20/32	72,496.67	80,775.08			(458.32)		72,038.35	79,818.49	(498.27)	0.00
GNMA	2013A SF Refunding	5.40	11/19/02	11/20/32	86,997.57	94,993.52			(738.87)		86,258.70	93,981.45	(273.20)	0.00
GNMA	2013A SF Refunding	6.15	11/26/02	11/20/32	266,336.28	297,082.15			(51,555.81)		214,780.47	235,955.68	(9,570.66)	0.00
GNMA	2013A SF Refunding	5.40	11/26/02	11/20/32	73,276.82	80,103.30			(752.86)		72,523.96	79,103.33	(247.11)	0.00
GNMA	2013A SF Refunding	6.15	11/26/02	11/20/32	44,188.33	49,316.83			(320.61)		43,867.72	48,678.70	(317.52)	0.00
GNMA	2013A SF Refunding	5.40	11/26/02	11/20/32	43,269.65	47,368.16			(675.36)		42,594.29	46,523.18	(169.62)	0.00
GNMA	2013A SF Refunding	5.40	12/12/02	12/20/32	89,855.01	98,225.90			(746.03)		89,108.98	97,192.95	(286.92)	0.00
GNMA	2013A SF Refunding	6.15	12/30/02	12/20/32	55,198.72	61,570.86			(392.93)		54,805.79	60,821.82	(356.11)	0.00
GNMA	2013A SF Refunding	5.40	12/30/02	12/20/32	180,494.90	197,084.19			(1,305.67)		179,189.23	195,232.04	(546.48)	0.00
GNMA	2013A SF Refunding	6.15	12/30/02	12/20/32	104,954.29	116,939.02			(683.26)		104,271.03	115,589.66	(666.10)	0.00
GNMA	2013A SF Refunding	5.40	12/30/02	12/20/32	89,255.10	97,458.54			(610.71)		88,644.39	96,580.72	(267.11)	0.00
GNMA	2013A SF Refunding	6.15	01/23/03	01/20/33	344,002.25	383,713.87			(2,755.76)		341,246.49	378,554.97	(2,403.14)	0.00
GNMA	2013A SF Refunding	5.40	01/23/03	01/20/33	87,042.45	95,042.53			(595.74)		86,446.71	94,175.04	(271.75)	0.00
GNMA	2013A SF Refunding	6.15	01/23/03	01/20/33	92,530.01	103,269.05			(689.39)		91,840.62	101,937.57	(642.09)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2013A SF Refunding	6.15	01/30/03	01/20/33	89,979.08	100,422.05			(739.13)		89,239.95	99,050.10	(632.82)	0.00
GNMA	2013A SF Refunding	5.40	01/30/03	01/20/33	199,393.02	217,719.23			(1,468.25)		197,924.77	215,617.25	(633.73)	0.00
GNMA	2013A SF Refunding	6.15	02/12/03	02/20/33	161,995.98	180,797.24			(1,809.52)		160,186.46	177,794.16	(1,193.56)	0.00
GNMA	2013A SF Refunding	6.15	02/20/03	02/20/33	151,110.62	168,554.83			(1,037.35)		150,073.27	166,482.27	(1,035.21)	0.00
GNMA	2013A SF Refunding	5.40	03/03/03	03/20/33	103,612.10	113,135.09			(694.48)		102,917.62	112,119.48	(321.13)	0.00
GNMA	2013A SF Refunding	6.15	02/27/03	02/20/33	298,138.43	332,182.86			(52,150.58)		245,987.85	270,148.77	(9,883.51)	0.00
GNMA	2013A SF Refunding	6.15	03/12/03	02/20/33	78,444.36	87,401.93			(593.78)		77,850.58	86,267.02	(541.13)	0.00
GNMA	2013A SF Refunding	6.15	03/24/03	03/20/33	138,430.44	154,410.86			(911.94)		137,518.50	152,556.15	(942.77)	0.00
GNMA	2013A SF Refunding	6.15	04/02/03	04/20/33	40,106.08	44,685.80			(244.15)		39,861.93	44,172.19	(269.46)	0.00
GNMA	2013A SF Refunding	6.15	04/10/03	03/20/33	44,585.79	49,677.05			(294.70)		44,291.09	49,079.40	(302.95)	0.00
GNMA	2013A SF Refunding	6.15	04/24/03	04/20/33	100,596.57	112,083.70			(616.95)		99,979.62	110,790.42	(676.33)	0.00
GNMA	2013A SF Refunding	6.15	04/29/03	03/20/33	77,946.86	86,847.61			(501.10)		77,445.76	85,818.41	(528.10)	0.00
GNMA	2013A SF Refunding	6.15	05/08/03	04/20/33	74,788.95	83,329.11			(475.11)		74,313.84	82,348.66	(505.34)	0.00
GNMA	2013A SF Refunding	6.15	06/19/03	05/20/33	25,554.30	28,304.72			(405.25)		25,149.05	27,696.15	(203.32)	0.00
GNMA	2013A SF Refunding	6.15	07/17/03	07/20/33	46,207.59	51,484.05			(287.84)		45,919.75	50,884.60	(311.61)	0.00
GNMA	2013A SF Refunding	6.15	07/30/03	07/20/33	43,145.57	48,072.36			(263.44)		42,882.13	47,518.98	(289.94)	0.00
GNMA	2013A SF Refunding	6.15	09/30/03	09/20/33	53,249.78	59,263.82			(318.02)		52,931.76	58,589.64	(356.16)	0.00
GNMA	2013A SF Refunding	6.15	10/09/03	08/20/33	51,958.28	57,891.40			(312.95)		51,645.33	57,229.75	(348.70)	0.00
GNMA	2013A SF Refunding	6.15	03/11/04	03/20/34	55,520.68	61,860.60			(474.18)		55,046.50	60,998.13	(388.29)	0.00
GNMA	2013A SF Refunding	5.40	07/08/04	06/20/34	172,988.07	189,048.29			(1,076.18)		171,911.89	187,354.75	(617.36)	0.00
GNMA	2013A SF Refunding	5.40	06/17/04	06/20/34	127,017.73	138,810.06			(841.99)		126,175.74	137,508.84	(459.23)	0.00
GNMA	2013A SF Refunding	5.40	09/09/04	09/20/34	191,210.52	206,922.29			(1,196.24)		190,014.28	205,306.62	(419.43)	0.00
GNMA	2013A SF Refunding	5.40	09/16/04	09/20/34	255,618.45	279,030.55			(87,231.67)		168,386.78	183,307.54	(8,491.34)	0.00
GNMA	2013A SF Refunding	5.40	07/15/04	07/20/34	53,324.45	58,275.10			(337.38)		52,987.07	57,746.90	(190.82)	0.00
GNMA	2013A SF Refunding	5.40	07/29/04	07/20/34	92,139.60	100,693.85			(597.75)		91,541.85	99,765.06	(331.04)	0.00
GNMA	2013A SF Refunding	5.40	08/05/04	08/20/34	46,392.27	50,699.33			(286.77)		46,105.50	50,247.61	(164.95)	0.00
GNMA	2013A SF Refunding	5.40	08/12/04	08/20/34	290,529.71	317,502.50			(1,760.70)		288,769.01	314,709.13	(1,032.67)	0.00
GNMA	2013A SF Refunding	5.40	08/20/04	08/20/34	51,228.99	55,937.45			(384.55)		50,844.44	55,362.98	(189.92)	0.00
GNMA	2013A SF Refunding	5.40	12/02/04	12/20/34	92,349.59	100,923.33			(571.68)		91,777.91	100,022.32	(329.33)	0.00
GNMA	2013A SF Refunding	4.49	12/09/04	12/20/34	876,010.01	935,972.90			(112,266.01)		763,744.00	797,295.26	(26,411.63)	0.00
GNMA	2013A SF Refunding	4.49	12/16/04	12/20/34	580,540.44	619,053.49			(3,808.26)		576,732.18	603,602.12	(11,643.11)	0.00
GNMA	2013A SF Refunding	5.40	10/14/04	10/20/34	141,597.74	153,238.49			(859.48)		140,738.26	152,070.50	(308.51)	0.00
GNMA	2013A SF Refunding	5.40	10/21/04	10/20/34	892,555.67	974,644.03			(6,049.48)		886,506.19	966,132.18	(2,462.37)	0.00
GNMA	2013A SF Refunding	4.49	10/21/04	10/20/34	211,288.19	226,663.64			(1,449.87)		209,838.32	220,275.67	(4,938.10)	0.00
GNMA	2013A SF Refunding	5.40	10/28/04	10/20/34	153,678.53	166,304.76			(968.08)		152,710.45	164,999.05	(337.63)	0.00
GNMA	2013A SF Refunding	4.49	10/29/04	10/20/34	200,898.06	212,033.85			(1,516.84)		199,381.22	206,433.34	(4,083.67)	0.00
GNMA	2013A SF Refunding	4.49	11/04/04	10/20/34	720,205.63	769,503.71			(5,444.28)		714,761.35	749,277.16	(14,782.27)	0.00
GNMA	2013A SF Refunding	5.40	11/04/04	11/20/34	219,593.56	239,706.14			(1,315.33)		218,278.23	237,619.86	(770.95)	0.00
GNMA	2013A SF Refunding	4.49	11/10/04	11/20/34	284,178.63	299,930.66			(2,071.92)		282,106.71	292,084.82	(5,773.92)	0.00
GNMA	2013A SF Refunding	5.40	11/10/04	11/20/34	60,889.98	66,466.89			(356.01)		60,533.97	65,898.48	(212.40)	0.00
GNMA	2013A SF Refunding	4.49	11/18/04	11/20/34	196,425.84	207,215.52			(1,391.14)		195,034.70	201,837.51	(3,986.87)	0.00
GNMA	2013A SF Refunding	4.49	11/23/04	11/20/34	505,859.41	534,728.81			(3,991.73)		501,867.68	523,282.37	(7,454.71)	0.00
GNMA	2013A SF Refunding	4.49	12/02/04	12/20/34	1,468,126.31	1,566,094.38			(145,110.25)		1,323,016.06	1,386,176.83	(34,807.30)	0.00
GNMA	2013A SF Refunding	4.49	12/23/04	12/20/34	749,145.11	799,135.57			(144,180.52)		604,964.59	630,808.68	(24,146.37)	0.00
GNMA	2013A SF Refunding	4.49	12/29/04	12/20/34	529,271.39	558,566.57			(3,506.55)		525,764.84	548,204.47	(6,855.55)	0.00
GNMA	2013A SF Refunding	4.49	01/06/05	01/20/35	1,462,964.17	1,563,104.07			(319,163.35)		1,143,800.82	1,192,240.77	(51,699.95)	0.00
GNMA	2013A SF Refunding	4.49	01/13/05	01/20/35	777,162.27	830,359.03			(7,139.71)		770,022.56	806,891.23	(16,328.09)	0.00
GNMA	2013A SF Refunding	5.40	01/13/05	01/20/35	34,000.40	37,157.00			(257.68)		33,742.72	36,773.83	(125.49)	0.00
GNMA	2013A SF Refunding	4.49	01/19/05	01/20/35	757,490.83	809,341.08			(7,749.36)		749,741.47	785,639.09	(15,952.63)	0.00
GNMA	2013A SF Refunding	5.40	01/19/05	01/20/35	95,967.99	104,757.71			(554.52)		95,413.47	103,869.01	(334.18)	0.00
GNMA	2013A SF Refunding	4.49	01/27/05	01/20/35	1,223,200.63	1,295,308.31			(237,262.94)		985,937.69	1,019,045.46	(38,999.91)	0.00
GNMA	2013A SF Refunding	4.49	02/03/05	02/20/35	1,536,018.57	1,641,159.04			(11,856.49)		1,524,162.08	1,597,138.93	(32,163.62)	0.00
GNMA	2013A SF Refunding	4.49	02/10/05	02/20/35	540,223.86	576,273.00			(3,546.40)		536,677.46	561,466.57	(11,260.03)	0.00
GNMA	2013A SF Refunding	4.49	02/10/05	02/20/35	798,703.51	852,927.50			(5,795.96)		792,907.55	830,871.96	(16,259.58)	0.00
GNMA	2013A SF Refunding	4.49	02/17/05	02/20/35	647,352.71	690,550.56			(4,322.01)		643,030.70	672,732.27	(13,496.28)	0.00
GNMA	2013A SF Refunding	4.49	02/24/05	02/20/35	707,549.89	755,981.69			(160,398.25)		547,151.64	570,323.51	(25,259.93)	0.00
GNMA	2013A SF Refunding	4.49	03/03/05	03/20/35	876,572.68	936,574.09			(97,882.50)		778,690.18	813,606.65	(25,084.94)	0.00

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GNMA	2013A SF Refunding	4.49	03/11/05	03/20/35	173,592.80	183,093.54			(85,951.09)		87,641.71	90,655.70	(6,486.75)	0.00
GNMA	2013A SF Refunding	5.40	03/17/05	02/20/35	111,807.58	122,187.80			(678.66)		111,128.92	121,111.63	(397.51)	0.00
GNMA	2013A SF Refunding	4.49	03/17/05	03/20/35	500,824.14	534,244.14			(3,456.83)		497,367.31	520,340.71	(10,446.60)	0.00
GNMA	2013A SF Refunding	4.49	03/24/05	03/20/35	395,070.40	421,433.46			(91,392.80)		303,677.60	314,121.06	(15,919.60)	0.00
GNMA	2013A SF Refunding	4.49	04/07/05	04/20/35	517,712.78	547,258.66			(109,293.78)		408,419.00	423,975.68	(13,989.20)	0.00
GNMA	2013A SF Refunding	4.49	04/14/05	04/20/35	212,741.98	227,857.31			(118,083.03)		94,658.95	99,205.41	(10,568.87)	0.00
GNMA	2013A SF Refunding	4.49	04/21/05	04/20/35	991,918.96	1,058,109.71			(6,385.46)		985,533.50	1,031,065.13	(20,659.12)	0.00
GNMA	2013A SF Refunding	4.49	04/28/05	04/20/35	521,810.46	556,630.87			(3,499.06)		518,311.40	542,257.38	(10,874.43)	0.00
GNMA	2013A SF Refunding	5.40	04/28/05	04/20/35	118,281.20	129,114.58			(681.64)		117,599.56	128,021.23	(411.71)	0.00
GNMA	2013A SF Refunding	4.49	05/05/05	05/20/35	828,548.80	874,408.98			(5,421.95)		823,126.85	857,945.11	(11,041.92)	0.00
GNMA	2013A SF Refunding	5.40	05/05/05	04/20/35	97,235.38	105,229.11			(589.06)		96,646.32	104,428.29	(211.76)	0.00
GNMA	2013A SF Refunding	4.49	05/12/05	05/20/35	407,254.97	434,431.10			(2,574.96)		404,680.01	423,376.22	(8,479.92)	0.00
GNMA	2013A SF Refunding	4.49	07/07/05	07/20/35	1,722,492.57	1,837,434.50			(11,632.79)		1,710,859.78	1,789,884.37	(35,917.34)	0.00
GNMA	2013A SF Refunding	5.40	07/07/05	07/20/35	38,567.93	42,112.72			(272.98)		38,294.95	41,698.60	(141.14)	0.00
GNMA	2013A SF Refunding	4.49	07/14/05	07/20/35	506,050.18	540,689.32			(68,995.30)		437,054.88	456,097.35	(15,596.67)	0.00
GNMA	2013A SF Refunding	4.49	05/26/05	05/20/35	624,099.63	665,745.80			(96,213.83)		527,885.80	550,880.49	(18,651.48)	0.00
GNMA	2013A SF Refunding	4.49	05/26/05	05/20/34					(77.48)	99,775.99	99,698.51	103,128.04	3,429.53	0.00
GNMA	2013A SF Refunding	4.49	06/02/05	06/20/35	629,656.28	671,673.25			(4,055.31)		625,600.97	654,497.47	(13,120.47)	0.00
GNMA	2013A SF Refunding	5.40	06/09/05	05/20/35	66,740.67	72,853.46			(393.76)		66,346.91	72,226.57	(233.13)	0.00
GNMA	2013A SF Refunding	4.49	06/09/05	06/20/35	719,515.48	767,528.75			(85,809.25)		633,706.23	661,646.32	(20,073.18)	0.00
GNMA	2013A SF Refunding	4.49	06/15/05	06/20/35	707,649.77	754,871.25			(5,036.77)		702,613.00	735,066.69	(14,767.79)	0.00
GNMA	2013A SF Refunding	4.49	06/23/05	06/20/35	929,305.49	989,505.90			(110,514.75)		818,790.74	854,883.01	(24,108.14)	0.00
GNMA	2013A SF Refunding	4.49	06/29/05	06/20/35	519,827.22	554,515.30			(3,273.36)		516,553.86	540,418.65	(10,823.29)	0.00
GNMA	2013A SF Refunding	4.49	09/08/05	09/20/35	166,394.00	178,216.30			(1,047.64)		165,346.36	173,117.63	(4,051.03)	0.00
GNMA	2013A SF Refunding	4.49	09/22/05	09/20/35	201,057.73	212,202.36			(3,766.10)		197,291.63	204,285.61	(4,150.65)	0.00
GNMA	2013A SF Refunding	4.49	07/21/05	07/20/35	265,811.79	284,697.72			(1,657.51)		264,154.28	276,841.61	(6,198.60)	0.00
GNMA	2013A SF Refunding	4.49	07/28/05	07/20/35	140,557.49	148,250.21			(894.11)		139,663.38	144,466.41	(2,889.69)	0.00
GNMA	2013A SF Refunding	4.49	08/04/05	08/20/35	69,365.50	74,217.63			(428.51)		68,936.99	72,183.93	(1,605.19)	0.00
GNMA	2013A SF Refunding	4.49	08/11/05	07/20/35	535,722.05	571,470.78			(3,352.96)		532,369.09	556,991.16	(11,126.66)	0.00
GNMA	2013A SF Refunding	4.49	08/18/05	08/20/35	1,163,857.23	1,243,523.26			(8,942.59)		1,154,914.64	1,210,338.97	(24,241.70)	0.00
GNMA	2013A SF Refunding	4.49	08/30/05	08/20/35	1,443,969.65	1,540,325.75			(243,640.79)		1,200,328.86	1,251,162.78	(45,522.18)	0.00
GNMA	2013A SF Refunding	4.49	09/29/05	07/20/35	97,167.47	104,071.22			(616.89)		96,550.58	101,201.41	(2,252.92)	0.00
GNMA	2013A SF Refunding	4.49	10/13/05	09/20/35	97,116.18	102,431.35			(689.09)		96,427.09	99,752.86	(1,989.40)	0.00
GNMA	2013A SF Refunding	4.49	10/27/05	10/20/35	943,999.60	1,005,699.42			(101,207.71)		842,791.89	881,282.18	(23,209.53)	0.00
GNMA	2013A SF Refunding	4.49	11/01/05	11/20/35	193,043.69	206,759.45			(1,216.75)		191,826.94	201,055.74	(4,486.96)	0.00
Repo Agmt	2013A SF Refunding	0.02	08/30/13	09/03/13	265,397.19	265,397.19		(185,219.26)			80,177.93	80,177.93	-	0.00
	<b>2013A SF Refunding Total</b>				<b>41,684,964.15</b>	<b>44,731,940.34</b>	<b>2,566,221.51</b>	<b>(185,219.26)</b>	<b>(2,918,991.35)</b>	<b>1,154,981.05</b>	<b>42,301,956.10</b>	<b>44,579,949.46</b>	<b>(768,982.83)</b>	<b>0.00</b>
FNMA	2002 A-D SF MRB				10,619.68	11,288.15			0.00	(10,619.68)			(668.47)	0.00
FNMA	2002 A-D SF MRB				4,451.23	4,724.75			(9.37)	(4,441.86)			(273.52)	0.00
FNMA	2002 A-D SF MRB				9,700.27	10,310.99			(14.40)	(9,685.87)			(610.72)	0.00
FNMA	2002 A-D SF MRB				5,726.53	6,087.14			(15.45)	(5,711.08)			(360.61)	0.00
FNMA	2002 A-D SF MRB				5,516.81	5,866.52			(36.69)	(5,480.12)			(349.71)	0.00
FNMA	2002 A-D SF MRB				10,386.33	11,041.19			(31.83)	(10,354.50)			(654.86)	0.00
FNMA	2002 A-D SF MRB				9,952.06	10,564.73			(6.87)	(9,945.19)			(612.67)	0.00
FNMA	2002 A-D SF MRB				4,364.40	4,628.77			(608.45)	(3,755.95)			(264.37)	0.00
FNMA	2002 A-D SF MRB				8,088.47	8,602.05			(121.78)	(7,966.69)			(513.58)	0.00
Repo Agmt	2002 A-D SF MRB	0.02	08/30/13	09/03/13	0.61	0.61	0.00				0.61	0.61	-	0.00
Repo Agmt	2002 A-D SF MRB	0.02	08/30/13	09/03/13	191,040.06	191,040.06	158,398.50				349,438.56	349,438.56	-	0.00
Repo Agmt	2002 A-D SF MRB	0.02	08/30/13	09/03/13	0.14	0.14	0.00				0.14	0.14	-	0.00
Repo Agmt	2002 A-D SF MRB	0.02	08/30/13	09/03/13	243.40	243.40	0.00				243.40	243.40	-	0.00
GNMA	2002 A-D SF MRB				99,623.06	105,821.80			0.00	(99,623.06)			(6,198.74)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	105,690.76	112,288.91			(640.10)		105,050.66	109,449.60	(2,199.21)	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	49,347.71	54,114.80			(368.00)		48,979.71	52,806.00	(940.80)	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	35,843.26	40,225.69			(1,415.12)		34,428.14	37,708.64	(1,101.93)	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	92,223.58	100,706.64			(517.27)		91,706.31	100,547.19	357.82	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	174,099.54	189,415.95			(1,148.36)		172,951.18	186,305.69	(1,961.90)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	194,548.15	206,794.32			(1,360.25)	10,466.75	203,654.65	211,156.50	(4,744.32)	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	81,544.40	86,555.63			(561.61)	4,441.86	85,424.65	88,524.37	(1,911.51)	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	177,704.60	188,893.20			(1,436.05)	9,685.87	185,954.42	192,827.51	(4,315.51)	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	104,907.67	111,514.03			(916.98)	5,711.08	109,701.77	113,742.28	(2,565.85)	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	75,209.05	81,400.46			(428.85)		74,780.20	80,552.63	(418.98)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	101,065.63	107,472.23			(1,509.60)	5,480.12	105,036.15	108,937.02	(2,505.73)	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	190,274.10	202,270.08			(1,909.79)	10,354.50	198,718.81	206,028.18	(4,686.61)	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	99,337.71	107,519.85			(574.19)		98,763.52	106,468.91	(476.75)	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	182,318.27	193,541.59			(1,243.96)	22,779.26	203,853.57	211,206.12	(3,870.77)	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	79,954.09	84,797.19			0.00	3,840.41	83,794.50	86,816.55	(1,821.05)	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	148,177.88	157,586.01			(3,609.76)	18,315.21	162,883.33	168,759.12	(3,532.34)	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	10,270.52	11,288.19			(1,825.50)		8,445.02	9,209.48	(253.21)	0.00
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37	11,774.00	12,985.23			(2,813.09)		8,960.91	9,777.18	(394.96)	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	5,378.88	5,924.23			(28.57)		5,350.31	5,908.65	12.99	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	8,826.86	9,701.61			(44.19)		8,782.67	9,605.42	(52.00)	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	3,422.32	3,765.02			(16.92)		3,405.40	3,752.71	4.61	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	1,542.82	1,697.28			(7.14)		1,535.68	1,692.54	2.40	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	12,939.62	14,238.52			(2,624.30)		10,315.32	11,265.68	(348.54)	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	11,666.48	12,822.78			(3,965.13)		7,701.35	8,401.71	(455.94)	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	7,759.46	8,528.46			(52.42)		7,707.04	8,436.59	(39.45)	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	13,426.46	14,723.93			(69.70)		13,356.76	14,619.23	(35.00)	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	10,340.53	11,378.95			(53.34)		10,287.19	11,349.46	23.85	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	8,620.97	9,486.72			(47.87)		8,573.10	9,399.47	(39.38)	0.00
GNMA	2002 A-D SF MRB	5.13	03/27/07	03/20/37	9,763.03	10,730.78			(2,588.45)		7,174.58	7,852.90	(289.43)	0.00
GNMA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	3,209.82	3,531.25			(16.17)		3,193.65	3,519.60	4.52	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	5,457.01	5,998.08			(2,071.97)		3,385.04	3,706.07	(220.04)	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	12,580.58	13,827.77			(61.52)		12,519.06	13,679.96	(86.29)	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	13,170.11	14,469.15			(66.10)		13,104.01	14,343.01	(60.04)	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	1,843.50	2,028.15			(8.45)		1,835.05	2,022.57	2.87	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	2,410.02	2,658.13			(16.39)		2,393.63	2,635.28	(6.46)	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	2,819.31	3,101.80			(13.77)		2,805.54	3,091.11	3.08	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	5,831.34	6,409.64			(29.81)		5,801.53	6,344.52	(35.31)	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	15,735.18	17,295.98			(75.05)		15,660.13	17,127.56	(93.37)	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	11,740.86	12,905.39			(57.97)		11,682.89	12,786.65	(60.77)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	9,593.72	10,545.45			(46.30)		9,547.42	10,441.88	(57.27)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	2,926.82	3,220.24			(13.70)		2,913.12	3,210.74	4.20	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	23,384.21	25,704.05			(123.24)		23,260.97	25,440.28	(140.53)	0.00
GNMA	2002 A-D SF MRB				2,274.05	2,499.66			(2,274.05)				(225.61)	0.00
GNMA	2002 A-D SF MRB				8,669.08	9,540.20			(2,217.91)		6,451.17	7,072.09	(250.20)	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37	1,706.87	1,878.00			(7.70)		1,699.17	1,872.59	2.29	0.00
GNMA	2002 A-D SF MRB	5.13	08/07/07	07/20/37	16,861.09	18,533.98			(2,798.53)		14,062.56	15,349.73	(385.72)	0.00
GNMA	2002 A-D SF MRB	5.38	07/03/07	05/20/37	7,932.13	8,719.24			(2,725.03)		5,207.10	5,695.76	(298.45)	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37	7,795.17	8,423.21			(37.82)		7,757.35	8,369.86	(15.53)	0.00
GNMA	2002 A-D SF MRB	5.38	07/17/07	06/20/37	4,576.28	5,030.49			(21.45)		4,554.83	4,981.96	(27.08)	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37	2,497.76	2,699.55			(13.07)		2,484.69	2,681.57	(4.91)	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/08	04/20/38	2,468.88	2,703.38			(14.23)		2,454.65	2,684.41	(4.74)	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/08	04/20/38	3,924.29	4,297.07			(17.90)		3,906.39	4,270.44	(8.73)	0.00
GNMA	2002 A-D SF MRB	5.38	04/22/08	03/20/38	2,586.02	2,831.69			(13.83)		2,572.19	2,812.68	(5.18)	0.00
GNMA	2002 A-D SF MRB	5.63	04/22/08	03/20/38	5,259.35	5,784.28			(25.22)		5,234.13	5,771.50	12.44	0.00
GNMA	2002 A-D SF MRB	5.13	05/07/08	04/20/38	5,448.77	5,966.45			(25.67)		5,423.10	5,926.50	(14.28)	0.00
GNMA	2002 A-D SF MRB	5.63	05/07/08	04/20/38	2,049.31	2,253.86			(8.89)		2,040.42	2,249.71	4.74	0.00
GNMA	2002 A-D SF MRB	5.38	05/14/08	04/20/38	4,193.05	4,591.43			(19.74)		4,173.31	4,562.56	(9.13)	0.00
GNMA	2002 A-D SF MRB	5.13	05/21/08	05/20/38	2,282.47	2,465.29			(10.69)		2,271.78	2,450.52	(4.08)	0.00
GNMA	2002 A-D SF MRB	5.13	06/11/08	05/20/38	2,096.20	2,306.07			(13.48)		2,082.72	2,279.76	(12.83)	0.00
GNMA	2002 A-D SF MRB	5.63	07/09/08	06/20/38	3,399.62	3,739.27			(14.49)		3,385.13	3,732.16	7.38	0.00
GNMA	2002 A-D SF MRB	5.38	07/09/08	03/20/38	2,027.75	2,220.52			(8.91)		2,018.84	2,206.92	(4.69)	0.00
GNMA	2002 A-D SF MRB				2,309.99	2,529.62			(2,309.99)				(219.63)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.63	06/18/08	03/20/38	587.51	646.17			(2.55)		584.96	645.39	1.77	0.00
GNMA	2002 A-D SF MRB	5.63	06/25/08	05/20/38	3,743.23	4,117.14			(16.03)		3,727.20	4,110.42	9.31	0.00
GNMA	2002 A-D SF MRB	5.38	06/25/08	05/20/38	2,468.62	2,703.34			(10.82)		2,457.80	2,686.83	(5.69)	0.00
GNMA	2002 A-D SF MRB	5.38	07/23/08	06/20/38	4,211.70	4,612.22			(18.31)		4,193.39	4,585.56	(8.35)	0.00
GNMA	2002 A-D SF MRB	5.13	08/27/08	08/20/38	4,825.71	5,284.87			(28.24)		4,797.47	5,245.45	(11.18)	0.00
GNMA	2002 A-D SF MRB	5.63	08/13/08	07/20/38	1,534.22	1,687.55			(6.35)		1,527.87	1,685.95	4.75	0.00
GNMA	2002 A-D SF MRB	5.38	08/13/08	07/20/38	3,342.50	3,660.42			(14.37)		3,328.13	3,638.97	(7.08)	0.00
GNMA	2002 A-D SF MRB	5.13	09/10/08	09/20/38	5,683.51	6,224.42			(2,483.30)		3,200.21	3,499.36	(241.76)	0.00
GNMA	2002 A-D SF MRB	5.13	09/24/08	08/20/38	2,399.79	2,628.19			(10.80)		2,388.99	2,612.08	(5.31)	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	09/20/38	2,214.95	2,425.77			(9.54)		2,205.41	2,412.61	(3.62)	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	08/20/38	2,477.26	2,719.34			(11.03)		2,466.23	2,697.27	(11.04)	0.00
GNMA	2002 A-D SF MRB	5.13	11/12/08	10/20/38	5,495.99	6,033.27			(2,650.39)		2,845.60	3,112.02	(270.86)	0.00
GNMA	2002 A-D SF MRB	5.13	11/25/08	09/20/38	2,656.69	2,916.44			(13.05)		2,643.64	2,890.61	(12.78)	0.00
GNMA	2002 A-D SF MRB	5.38	11/25/08	11/20/38	8,219.35	9,023.02			(2,457.72)		5,761.63	6,300.64	(264.66)	0.00
GNMA	2002 A-D SF MRB	5.63	12/10/08	10/20/38	2,732.64	3,006.10			(11.22)		2,721.42	2,996.06	1.18	0.00
GNMA	2002 A-D SF MRB	5.13	12/10/08	11/20/38	6,075.31	6,700.15			(173.67)		5,901.64	6,492.87	(33.61)	0.00
GNMA	2002 A-D SF MRB	5.38	12/17/08	11/20/38	4,177.84	4,596.96			(19.61)		4,158.23	4,553.03	(24.32)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	5,426.51	5,957.30			(23.53)		5,402.98	5,909.14	(24.63)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	2,402.91	2,637.92			(10.24)		2,392.67	2,616.16	(11.52)	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	2,475.28	2,717.39			(14.77)		2,460.51	2,691.18	(11.44)	0.00
GNMA	2002 A-D SF MRB	5.13	12/17/08	12/20/38	4,272.49	4,690.41			(18.75)		4,253.74	4,651.26	(20.40)	0.00
GNMA	2002 A-D SF MRB				2,730.48	2,997.56			(2,730.48)				(267.08)	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	12/20/38	7,922.40	8,691.05			(36.67)		7,885.73	8,617.75	(36.63)	0.00
GNMA	2002 A-D SF MRB				2,469.47	2,711.02			(2,469.47)				(241.55)	0.00
GNMA	2002 A-D SF MRB	5.13	12/30/08	12/20/38	1,611.89	1,769.62			(6.96)		1,604.93	1,754.96	(7.70)	0.00
GNMA	2002 A-D SF MRB				2,726.25	2,986.03			(2,726.25)				(259.78)	0.00
GNMA	2002 A-D SF MRB	5.25	12/30/08	12/20/38	1,858.07	2,039.84			(8.10)		1,849.97	2,022.79	(8.95)	0.00
GNMA	2002 A-D SF MRB	5.15	12/30/08	12/20/38	2,681.97	2,944.32			(11.58)		2,670.39	2,911.87	(20.87)	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	8,641.52	9,436.79			(2,630.77)		6,010.75	6,477.93	(328.09)	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	8,907.52	9,788.80			(135.55)		8,771.97	9,629.93	(23.32)	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	1,802.06	1,960.27			(8.47)		1,793.59	1,952.97	1.17	0.00
FNMA	2002 A-D SF MRB	5.63	03/20/07	02/01/37	2,402.14	2,613.03			(1,185.66)		1,216.48	1,324.55	(102.82)	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	3,040.08	3,292.05			(20.25)		3,019.83	3,254.60	(17.20)	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	17,577.52	19,201.15			(3,211.91)		14,365.61	15,642.58	(346.66)	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	2,264.28	2,463.12			(1,691.20)		573.08	624.02	(147.90)	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	7,601.33	8,301.15			(50.29)		7,551.04	8,240.73	(10.13)	0.00
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	19,577.15	21,385.63			(2,634.06)		16,943.09	18,477.18	(274.39)	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	5,561.58	6,054.48			(170.29)		5,391.29	5,810.57	(73.62)	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	2,340.28	2,545.88			(11.70)		2,328.58	2,535.64	1.46	0.00
FNMA	2002 A-D SF MRB	5.13	05/08/07	04/01/37	4,802.09	5,201.29			(23.91)		4,778.18	5,149.80	(27.58)	0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	1,659.88	1,797.46			(9.35)		1,650.53	1,778.86	(9.25)	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	1,971.92	2,138.77			(11.00)		1,960.92	2,113.43	(14.34)	0.00
FNMA	2002 A-D SF MRB	5.38	06/05/07	05/01/37	6,676.95	7,302.50			(38.83)		6,638.12	7,263.39	(0.28)	0.00
FNMA	2002 A-D SF MRB	5.63	06/05/07	05/01/37	2,468.87	2,685.75			(14.79)		2,454.08	2,672.27	1.31	0.00
FNMA	2002 A-D SF MRB	5.13	06/05/07	04/01/37	5,395.16	5,842.53			(40.36)		5,354.80	5,771.33	(30.84)	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	4,271.74	4,662.44			(39.36)		4,232.38	4,561.61	(61.47)	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	3,851.35	4,203.64			(2,456.15)		1,395.20	1,504.05	(243.44)	0.00
FNMA	2002 A-D SF MRB	5.13	04/08/08	03/01/38	2,974.55	3,266.77			(43.22)		2,931.33	3,194.45	(29.10)	0.00
FNMA	2002 A-D SF MRB	5.63	04/15/08	12/01/37	1,786.82	1,993.24			(78.50)		1,708.32	1,883.39	(31.35)	0.00
FNMA	2002 A-D SF MRB	5.38	04/15/08	01/01/38	2,587.03	2,828.74			(11.56)		2,575.47	2,802.70	(14.48)	0.00
FNMA	2002 A-D SF MRB	5.13	04/15/08	04/01/38	2,266.64	2,461.95			(10.36)		2,256.28	2,432.58	(19.01)	0.00
FNMA	2002 A-D SF MRB	5.38	04/29/08	04/01/38	3,159.34	3,461.65			(30.15)		3,129.19	3,410.14	(21.36)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	06/18/08	04/01/38	4,589.60	4,969.92			(21.29)		4,568.31	4,936.09	(12.54)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	06/18/08	03/01/38	1,334.93	1,451.57			(7.02)		1,327.91	1,444.42	(0.13)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	06/25/08	12/01/37	2,464.63	2,657.00			(11.54)		2,453.09	2,644.65	(0.81)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	07/16/08	06/01/38	3,643.60	3,931.59			(24.70)		3,618.90	3,899.87	(7.02)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	07/16/08	05/01/38	727.14	788.93			(3.25)		723.89	784.52	(1.16)	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Freddie Mac	2002 A-D SF MRB	5.38	07/23/08	03/01/38	1,650.46	1,787.29			(11.24)		1,639.22	1,768.22	(7.83)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	2,558.36	2,770.50			(11.09)		2,547.27	2,755.71	(3.70)	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	1,118.57	1,210.31			(14.81)		1,103.76	1,191.79	(3.71)	0.00
Freddie Mac	2002 A-D SF MRB	5.63	09/24/08	07/01/38	2,453.36	2,664.97			(10.17)		2,443.19	2,651.19	(3.61)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	10/22/08	03/01/38	3,519.69	3,794.75			(16.48)		3,503.21	3,763.48	(14.79)	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/19/08	10/01/38	3,193.67	3,442.41			(14.60)		3,179.07	3,425.34	(2.47)	0.00
Freddie Mac	2002 A-D SF MRB	5.25	12/18/08	09/01/38	3,631.16	3,931.14			(36.87)		3,594.29	3,885.35	(8.92)	0.00
<b>2002 A-D SF MRB Total</b>					2,822,649.52	3,020,714.21	158,398.50	0.00	(78,534.94)	(76,508.94)	2,826,004.14	2,969,109.55	(54,959.28)	0.00
Repo Agmt	2004A SF Jr Lien	0.02	08/30/13	09/03/13	19.38	19.38		(15.46)			3.92	3.92	-	0.00
Repo Agmt	2004A SF Jr Lien	0.02	08/30/13	09/03/13	115,650.00	115,650.00	0.00				115,650.00	115,650.00	-	0.00
<b>2004A SF Jr Lien Total</b>					115,669.38	115,669.38	0.00	(15.46)	0.00	0.00	115,653.92	115,653.92	0.00	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	1,483,851.99	1,483,851.99	53,042.99				1,536,894.98	1,536,894.98	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.02	08/30/13	09/03/13	13,132.60	13,132.60	32,787.38				45,919.98	45,919.98	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.02	08/30/13	09/03/13	0.24	0.24	0.00				0.24	0.24	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.02	08/30/13	09/03/13	736,154.92	736,154.92	36.45				736,191.37	736,191.37	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.02	08/30/13	09/03/13	0.01	0.01	0.00				0.01	0.01	-	0.00
<b>1991 A S/F (1980 A Refunding) Total</b>					2,233,139.76	2,233,139.76	85,866.82	0.00	0.00	0.00	2,319,006.58	2,319,006.58	0.00	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	48,431.35	48,431.35		(8,428.35)			40,003.00	40,003.00	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	0.02	08/30/13	09/03/13	7,500.13	7,500.13		(6,463.92)			1,036.21	1,036.21	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	5,832.16	6,665.30			(89.97)		5,742.19	6,484.52	(90.81)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	6,070.19	6,932.19			(118.95)		5,951.24	6,713.81	(99.43)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	3,873.90	4,364.05			(215.35)		3,658.55	4,111.97	(36.73)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	1,749.86	1,972.16			(24.81)		1,725.05	1,939.71	(7.64)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	5,202.51	5,861.72			(116.13)		5,086.38	5,717.69	(27.90)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	4,221.93	4,619.07			(74.14)		4,147.79	4,538.94	(5.99)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	1,277.79	1,426.90			(58.07)		1,219.72	1,332.55	(36.28)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	5,359.38	6,087.75			(132.60)		5,226.78	5,868.64	(86.51)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	3,615.54	4,038.50			(45.86)		3,569.68	3,905.40	(87.24)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	1,983.18	2,213.97			(23.46)		1,959.72	2,141.71	(48.80)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	4,111.11	4,621.18			(52.21)		4,058.90	4,552.75	(16.22)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	28,643.04	31,861.84			(437.10)		28,205.94	31,148.99	(275.75)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	4,256.96	4,735.27			(54.86)		4,202.10	4,640.23	(40.18)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	17,879.11	19,885.03			(361.16)		17,517.95	19,342.14	(181.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	5,990.21	6,656.56			(118.55)		5,871.66	6,486.06	(51.95)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	19,465.27	21,648.23			(353.66)		19,111.61	21,102.97	(191.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	8,873.73	9,870.34			(2,236.47)		6,637.26	7,307.48	(326.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	29,533.19	32,847.97			(498.60)		29,034.59	32,059.33	(290.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	9,242.17	10,278.19			(126.28)		9,115.89	10,065.60	(86.31)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	34,945.48	38,859.43			(2,638.48)		32,307.00	35,664.25	(556.70)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	18,485.22	20,495.46			(411.85)		18,073.37	19,898.43	(185.18)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	8,077.14	8,954.10			(192.34)		7,884.80	8,676.88	(84.88)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	3,499.80	3,880.87			(97.47)		3,402.33	3,745.25	(38.15)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	29,382.59	32,574.83			(550.63)		28,831.96	31,736.13	(288.07)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	10,065.38	11,165.07			(622.63)		9,442.75	10,400.08	(142.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	3,675.85	4,074.34			(126.76)		3,549.09	3,904.20	(43.38)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	18,666.77	20,690.77			(290.04)		18,376.73	20,223.53	(177.20)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	7,633.30	8,461.39			(240.71)		7,392.59	8,143.37	(77.31)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	7,866.70	8,728.29			(120.60)		7,746.10	8,533.92	(73.77)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	2,563.95	2,849.08			(28.88)		2,535.07	2,796.78	(23.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	9,702.09	10,751.46			(126.39)		9,575.70	10,537.45	(87.62)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	6,170.65	6,834.75			(80.25)		6,090.40	6,697.63	(56.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	5,737.84	6,369.67			(69.62)		5,668.22	6,248.00	(52.05)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	3,303.46	3,668.38			(40.77)		3,262.69	3,597.13	(30.48)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	9,902.03	11,018.15			(203.31)		9,698.72	10,714.64	(100.20)	0.00



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**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	10,879.02	12,053.98			(164.02)		10,715.00	11,787.71	(102.25)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	3,632.20	4,034.47			(37.02)		3,595.18	3,966.21	(31.24)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	2,261.49	2,504.91			(33.78)		2,227.71	2,450.40	(20.73)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	4,400.81	4,885.37			(2,698.09)		1,702.72	1,872.42	(314.86)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	2,238.27	2,486.15			(22.61)		2,215.66	2,443.51	(20.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	4,784.52	5,314.40			(51.81)		4,732.71	5,219.94	(42.65)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	8,034.36	8,924.16			(105.22)		7,929.14	8,746.15	(72.79)	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	0.02	08/30/13	09/03/13	376,466.16	376,466.16		(182,060.94)			194,405.22	194,405.22	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	67.94	76.25			(20.56)		47.38	51.75	(3.94)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	1,426.12	1,552.20			(14.82)		1,411.30	1,542.47	5.09	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	448.82	504.88			(22.88)		425.94	465.19	(16.81)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	12,055.95	13,353.54			(1,133.59)		10,922.36	12,014.94	(205.01)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	2,370.96	2,721.72			(24.00)		2,346.96	2,656.14	(41.58)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	23,562.58	26,157.55			(323.15)		23,239.43	25,618.47	(215.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	12,984.47	14,406.64			(2,379.75)		10,604.72	11,629.98	(396.91)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	12,682.17	13,899.23			(136.94)		12,545.23	13,700.22	(62.07)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	7,765.91	8,621.17			(113.71)		7,652.20	8,436.94	(70.52)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	6,192.68	6,874.73			(67.71)		6,124.97	6,752.40	(54.62)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	7,452.95	8,278.30			(89.27)		7,363.68	8,121.92	(67.11)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	655.73	737.63			(34.74)		620.99	678.50	(24.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	5,691.52	6,321.85			(56.12)		5,635.40	6,216.13	(49.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	4,190.42	4,651.92			(52.92)		4,137.50	4,563.84	(35.16)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,214.56	2,459.78			(22.53)		2,192.03	2,417.98	(19.27)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	273.10	306.45			(8.52)		264.58	289.00	(8.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	11,487.22	12,752.27			(174.86)		11,312.36	12,470.81	(106.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	665.64	741.16			(24.80)		640.84	708.01	(8.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	3,726.73	4,137.21			(53.13)		3,673.60	4,049.73	(34.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	6,820.49	7,485.72			(79.56)		6,740.93	7,373.46	(32.70)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	7,655.13	8,389.75			(85.32)		7,569.81	8,268.69	(35.74)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,463.00	1,596.84			(13.62)		1,449.38	1,557.20	(26.02)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	1,914.71	2,098.46			(657.71)		1,257.00	1,373.47	(67.28)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	1,904.16	2,071.96			(39.11)		1,865.05	2,044.39	11.54	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	2,145.87	2,330.64			(31.96)		2,113.91	2,271.80	(26.88)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	7,280.51	7,979.23			(95.48)		7,185.03	7,847.57	(36.18)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	1,618.41	1,766.12			(25.54)		1,592.87	1,732.39	(8.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	23,811.43	26,096.59			(721.71)		23,089.72	25,219.49	(155.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	8,093.45	8,870.32			(77.21)		8,016.24	8,752.75	(40.36)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	4,396.26	4,812.66			(40.99)		4,355.27	4,753.24	(18.43)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	3,535.97	3,857.07			(43.93)		3,492.04	3,799.06	(14.08)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	3,412.19	3,743.53			(728.71)		2,683.48	2,913.26	(101.56)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	5,523.33	6,046.46			(53.15)		5,470.18	5,968.96	(24.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	1,341.31	1,468.33			(12.24)		1,329.07	1,450.04	(6.05)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	7,049.80	7,726.34			(68.82)		6,980.98	7,622.92	(34.60)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	9,356.26	10,242.45			(89.53)		9,266.73	10,109.13	(43.79)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	1,534.56	1,674.66			(910.30)		624.26	670.05	(94.31)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	56,608.49	62,129.44			(660.35)		55,948.14	61,197.67	(271.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	63,535.12	69,632.64			(708.13)		62,826.99	68,627.86	(296.65)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	12,140.68	13,254.44			(113.11)		12,027.57	12,925.41	(215.92)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	15,891.60	17,416.66			(5,458.73)		10,432.87	11,399.41	(558.52)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	15,803.88	17,196.70			(324.66)		15,479.22	16,967.88	95.84	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	17,810.35	19,343.67			(265.29)		17,545.06	18,855.36	(223.02)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	60,426.30	66,225.40			(792.45)		59,633.85	65,132.68	(330.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	13,432.24	14,658.34			(211.98)		13,220.26	14,378.36	(68.00)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	197,628.14	216,594.43			(5,989.98)		191,638.16	209,314.77	(1,289.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	67,174.44	73,621.19			(640.84)		66,533.60	72,645.41	(334.94)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	36,487.67	39,943.81			(340.23)		36,147.44	39,450.63	(152.95)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	7,953.23	8,675.42			(98.80)		7,854.43	8,544.95	(31.67)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	8,347.67	9,113.58			(182.60)		8,165.07	8,778.53	(152.45)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	94,791.80	103,888.99			(1,035.59)		93,756.21	102,417.43	(435.97)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	131,807.05	144,456.58			(1,353.03)		130,454.02	142,500.15	(603.40)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	61,392.02	67,207.08			(587.10)		60,804.92	66,350.94	(269.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	19,396.80	21,288.28			(289.93)		19,106.87	20,899.38	(98.97)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	13,431.39	14,663.85			(121.72)		13,309.67	14,308.81	(233.32)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	105,258.14	115,359.77			(1,136.61)		104,121.53	113,708.01	(515.15)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	21,394.39	23,337.22			(265.79)		21,128.60	22,986.25	(85.18)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	28,320.62	31,070.27			(6,048.14)		22,272.48	24,179.24	(842.89)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	45,841.80	50,183.93			(441.13)		45,400.67	49,540.76	(202.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	11,132.32	12,186.75			(101.48)		11,030.84	12,034.95	(50.32)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	58,511.24	64,126.49			(571.24)		57,940.00	63,268.09	(287.16)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	77,654.09	85,009.48			(743.04)		76,911.05	83,903.03	(363.41)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	12,735.70	13,899.22			(7,555.29)		5,180.41	5,561.26	(782.67)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	2,920.43	3,205.88			(43.66)		2,876.77	3,146.92	(14.90)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	26,136.00	28,472.79			(234.60)		25,901.40	28,263.05	24.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	103,786.09	113,616.71			(987.54)		102,798.55	112,171.73	(457.44)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	12,691.29	13,783.97			(370.28)		12,321.01	13,239.50	(174.19)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	4,898.29	5,362.24			(41.57)		4,856.72	5,280.41	(40.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	23,075.77	25,290.26			(232.86)		22,842.91	24,953.74	(103.66)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	20,067.11	22,032.24			(235.66)		19,831.45	21,704.90	(91.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	7,641.33	8,365.14			(74.95)		7,566.38	8,257.82	(32.37)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	22,819.95	25,045.13			(238.17)		22,581.78	24,716.68	(90.28)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	27,744.97	30,243.63			(541.20)		27,203.77	29,690.96	(11.47)	0.00
FNMA	1994 A&B SF (1983 Refunding)				12,927.45	13,723.25			(8.92)	(12,918.53)			(795.80)	0.00
FNMA	1994 A&B SF (1983 Refunding)				10,506.71	11,173.79			(158.19)	(10,348.52)			(667.08)	0.00
<b>1994 A&amp;B SF (1983 Refunding) Total</b>					<b>2,560,382.66</b>	<b>2,770,173.21</b>	<b>0.00</b>	<b>(196,953.21)</b>	<b>(61,825.24)</b>	<b>(23,267.05)</b>	<b>2,278,337.16</b>	<b>2,470,324.15</b>	<b>(17,803.56)</b>	<b>0.00</b>
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	30.06	30.06	0.00				30.06	30.06	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.02	08/30/13	09/03/13	0.86	0.86	0.92				1.78	1.78	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	0.02	08/30/13	09/03/13	0.01	0.01	0.00				0.01	0.01	-	0.00
<b>1995 C SF (1985 A&amp;B Refunding) Total</b>					<b>30.93</b>	<b>30.93</b>	<b>0.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>31.85</b>	<b>31.85</b>	<b>0.00</b>	<b>0.00</b>
GIC's	2005 Single Family	3.37	09/22/05	09/01/36	4,611,845.95	4,611,845.95		(2,045,962.35)			2,565,883.60	2,565,883.60	-	0.00
Repo Agmt	2005 Single Family	0.02	08/30/13	09/03/13	0.64	0.64	6,630,712.97				6,630,713.61	6,630,713.61	-	0.00
GNMA	2005 Single Family	4.49	08/11/05	07/20/35	944,791.68	1,016,480.74			(6,358.03)		938,433.65	990,168.93	(19,953.78)	0.00
GNMA	2005 Single Family	4.49	08/30/05	08/20/35	398,542.61	428,793.22			(2,644.88)		395,897.73	417,741.00	(8,407.34)	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	1,060,381.78	1,140,939.45			(7,207.18)		1,053,174.60	1,111,362.64	(22,369.63)	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	638,132.00	685,356.07			(4,094.05)		634,037.95	668,787.30	(12,474.72)	0.00
GNMA	2005 Single Family	4.49	09/29/05	09/20/35	3,086,234.39	3,285,171.93			(207,345.51)		2,878,888.88	3,026,358.26	(51,468.16)	0.00
GNMA	2005 Single Family	4.49	10/06/05	09/20/35	1,055,357.01	1,135,504.29			(115,083.68)		940,273.33	990,027.91	(30,392.70)	0.00
GNMA	2005 Single Family	4.49	10/20/05	10/20/35	784,859.55	844,480.55			(86,351.94)		698,507.61	735,476.19	(22,652.42)	0.00
GNMA	2005 Single Family	4.49	12/08/05	12/20/35	426,032.18	457,346.31			(2,637.63)		423,394.55	446,360.84	(8,347.84)	0.00
GNMA	2005 Single Family	4.49	12/15/05	12/20/35	706,639.80	760,364.95			(4,537.21)		702,102.59	740,793.30	(15,034.44)	0.00
GNMA	2005 Single Family	4.49	11/03/05	11/20/35	221,939.34	240,155.47			(1,655.94)		220,283.40	233,250.55	(5,248.98)	0.00
GNMA	2005 Single Family	4.49	11/10/05	11/20/35	1,022,853.15	1,098,568.88			(9,012.40)		1,013,840.75	1,069,559.03	(19,997.45)	0.00
GNMA	2005 Single Family	4.49	11/17/05	11/20/35	789,449.93	849,445.32			(5,792.41)		783,657.52	826,935.99	(16,716.92)	0.00
GNMA	2005 Single Family	4.49	11/22/05	11/20/35	633,070.67	681,184.57			(4,180.55)		628,890.12	663,643.11	(13,360.91)	0.00
GNMA	2005 Single Family	4.49	11/29/05	11/20/35	624,538.46	670,779.53			(138,578.21)		485,960.25	510,954.88	(21,246.44)	0.00
GNMA	2005 Single Family	4.49	12/22/05	12/20/35	670,350.31	721,320.75			(4,659.71)		665,690.60	702,519.30	(14,141.74)	0.00
GNMA	2005 Single Family	4.49	12/29/05	12/20/35	1,194,817.19	1,285,672.31			(123,007.89)		1,071,809.30	1,130,486.03	(32,178.39)	0.00
GNMA	2005 Single Family	4.49	01/05/06	01/20/36	995,094.44	1,070,777.51			(244,993.44)		750,101.00	788,626.28	(37,157.79)	0.00
GNMA	2005 Single Family	4.49	01/12/06	01/20/36	795,211.14	854,597.15			(4,973.29)		790,237.85	832,941.81	(16,682.05)	0.00
GNMA	2005 Single Family	4.49	03/09/06	02/20/36	681,978.10	725,117.90			(47,779.44)		634,198.66	666,982.89	(10,355.57)	0.00
GNMA	2005 Single Family	4.49	03/02/06	02/20/36	1,109,899.42	1,193,156.31			(7,420.32)		1,102,479.10	1,161,911.34	(23,824.65)	0.00
GNMA	2005 Single Family	4.49	01/19/06	01/20/36	439,044.38	472,441.67			(3,043.86)		436,000.52	460,100.60	(9,297.21)	0.00
GNMA	2005 Single Family	4.49	01/26/06	01/20/36	631,829.32	679,895.51			(226,190.27)		405,639.05	426,525.05	(27,180.19)	0.00

**Texas Department of Housing and Community Affairs  
Single Family Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2005 Single Family	4.49	02/02/06	02/20/36	1,605,171.59	1,725,542.13			(10,177.84)		1,594,993.75	1,682,885.85	(32,478.44)	0.00
GNMA	2005 Single Family	4.49	02/09/06	02/20/36	802,386.82	854,233.31			(5,351.62)		797,035.20	837,993.42	(10,888.27)	0.00
GNMA	2005 Single Family	4.49	02/16/06	02/20/36	1,068,906.01	1,150,250.49			(8,295.85)		1,060,610.16	1,119,292.11	(22,662.53)	0.00
GNMA	2005 Single Family	4.49	02/23/06	02/20/36	1,114,824.94	1,198,445.32			(6,731.26)		1,108,093.68	1,168,257.49	(23,456.57)	0.00
GNMA	2005 Single Family	4.49	05/11/06	04/20/36	771,169.67	829,076.80			(5,550.45)		765,619.22	807,235.61	(16,290.74)	0.00
GNMA	2005 Single Family	4.49	05/11/06	05/20/36	211,420.65	228,818.84			(1,783.50)		209,637.15	221,983.37	(5,051.97)	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	574,021.15	617,132.47			(148,391.14)		425,630.01	447,590.89	(21,150.44)	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	306,385.44	329,733.17			(121,703.03)		184,682.41	194,038.06	(13,992.08)	0.00
GNMA	2005 Single Family	4.49	03/16/06	03/20/36	560,022.11	602,042.63			(3,358.31)		556,663.80	586,873.95	(11,810.37)	0.00
GNMA	2005 Single Family	4.49	03/23/06	03/20/36	1,192,639.70	1,282,134.28			(122,020.51)		1,070,619.19	1,128,264.12	(31,849.65)	0.00
GNMA	2005 Single Family	4.49	03/30/06	03/20/36	932,033.70	1,001,978.72			(254,884.05)		677,149.65	711,987.06	(35,107.61)	0.00
GNMA	2005 Single Family	4.49	04/06/06	03/20/36	794,413.25	845,476.29			(7,182.47)		787,230.78	828,459.14	(9,834.68)	0.00
GNMA	2005 Single Family	4.49	04/13/06	03/20/36	741,073.33	798,797.30			(7,257.84)		733,815.49	774,434.05	(17,105.41)	0.00
GNMA	2005 Single Family	4.49	04/20/06	04/20/36	863,887.26	929,690.62			(6,614.73)		857,272.53	904,625.08	(18,450.81)	0.00
GNMA	2005 Single Family	4.49	04/27/06	04/20/36	414,491.45	446,066.49			(3,639.91)		410,851.54	433,638.82	(8,787.76)	0.00
GNMA	2005 Single Family	4.49	05/05/06	04/20/36	804,074.49	865,333.18			(5,215.90)		798,858.59	843,147.89	(16,969.39)	0.00
GNMA	2005 Single Family	4.49	05/25/06	05/20/36	585,446.61	622,698.24			(70,192.40)		515,254.21	540,864.89	(11,640.95)	0.00
GNMA	2005 Single Family	4.49	06/01/06	06/20/36	625,252.73	672,048.02			(3,610.05)		621,642.68	655,397.74	(13,040.23)	0.00
GNMA	2005 Single Family	4.49	06/08/06	06/20/36	935,907.64	1,004,892.19			(98,847.81)		837,059.83	882,271.62	(23,772.76)	0.00
GNMA	2005 Single Family	4.49	06/15/06	06/20/36	549,388.62	590,667.85			(3,174.08)		546,214.54	575,940.87	(11,552.90)	0.00
GNMA	2005 Single Family	4.49	06/27/06	06/20/36	1,128,140.16	1,201,204.95			(110,458.40)		1,017,681.76	1,069,473.77	(21,272.78)	0.00
GNMA	2005 Single Family	4.49	07/06/06	07/20/36	709,312.72	762,627.35			(4,226.92)		705,085.80	743,390.96	(15,009.47)	0.00
GNMA	2005 Single Family	4.49	07/13/06	06/20/36	874,423.75	930,107.00			(133,899.39)		740,524.36	776,943.17	(19,264.44)	0.00
GNMA	2005 Single Family	4.49	07/19/06	06/20/36	1,372,879.58	1,476,074.94			(8,261.50)		1,364,618.08	1,438,400.08	(29,413.36)	0.00
GNMA	2005 Single Family	4.49	07/27/06	07/20/36	986,304.63	1,060,457.20			(301,459.14)		684,845.49	720,170.32	(38,827.74)	0.00
GNMA	2005 Single Family	4.49	08/02/06	08/20/36	383,075.16	411,880.56			(2,251.70)		380,823.46	401,524.56	(8,104.30)	0.00
GNMA	2005 Single Family	4.49	08/09/06	08/20/36	1,171,307.07	1,259,391.39			(7,834.92)		1,163,472.15	1,226,723.33	(24,833.14)	0.00
GNMA	2005 Single Family	4.49	08/16/06	07/20/36	725,166.95	779,699.20			(213,942.34)		511,224.61	537,602.64	(28,154.22)	0.00
GNMA	2005 Single Family	4.49	08/23/06	07/20/36	337,029.09	364,215.45			(2,336.69)		334,692.40	353,540.81	(8,337.95)	0.00
GNMA	2005 Single Family	4.49	09/12/06	08/20/36	291,805.30	315,027.14			(2,121.61)		289,683.69	305,981.44	(6,924.09)	0.00
GNMA	2005 Single Family	4.49	09/26/06	09/20/36	287,579.10	309,837.96			(154,118.45)		133,460.65	140,598.77	(15,120.74)	0.00
GNMA	2005 Single Family	4.49	10/17/06	10/20/36	605,440.90	651,017.12			(111,797.35)		493,643.55	519,152.70	(20,067.07)	0.00
GNMA	2005 Single Family	4.49	11/14/06	10/20/36	562,859.78	605,244.62			(154,323.04)		408,536.74	429,657.49	(21,264.09)	0.00
GNMA	2005 Single Family	4.49	11/28/06	10/20/36	194,480.62	209,973.91			(62,332.60)		132,148.02	139,324.27	(8,317.04)	0.00
GNMA	2005 Single Family	4.49	12/12/06	10/20/36	224,058.24	241,910.52			(1,283.49)		222,774.75	235,326.84	(5,300.19)	0.00
GNMA	2005 Single Family	4.49	01/16/07	12/20/36	102,296.98	110,227.45			(567.69)		101,729.29	107,182.51	(2,477.25)	0.00
GNMA	2005 Single Family	4.49	01/30/07	12/20/36	117,812.65	125,945.69			(660.91)		117,151.74	122,473.15	(2,811.63)	0.00
GNMA	2005 Single Family	4.49	02/13/07	01/20/37	280,786.71	303,733.62			(1,666.33)		279,120.38	295,289.01	(6,778.28)	0.00
GNMA	2005 Single Family	4.49	02/20/07	02/20/37	204,672.90	221,400.98			(1,182.27)		203,490.63	215,273.05	(4,945.66)	0.00
GNMA	2005 Single Family	4.49	03/20/07	01/20/37	56,149.25	60,505.73			(311.37)		55,837.88	58,836.26	(1,358.10)	0.00
GNMA	2005 Single Family	4.49	04/24/07	03/20/37	253,339.64	273,007.31			(2,169.57)		251,170.07	264,686.37	(6,151.37)	0.00
GNMA	2005 Single Family	4.49	04/10/07	02/20/37	243,897.87	262,827.73			(1,341.81)		242,556.06	255,587.27	(5,898.65)	0.00
GNMA	2005 Single Family	4.49	05/22/07	04/20/37	128,063.07	136,336.76			(688.13)		127,374.94	132,984.18	(2,664.45)	0.00
GNMA	2005 Single Family	4.49	06/05/07	05/20/37	293,732.83	316,551.69			(1,588.59)		292,144.24	307,880.72	(7,082.38)	0.00
GNMA	2005 Single Family	4.49	07/03/07	06/20/37	107,656.21	116,023.18			(571.37)		107,084.84	112,839.10	(2,612.71)	0.00
GNMA	2005 Single Family	4.49	11/21/07	09/20/37	102,367.50	110,335.71			(533.04)		101,834.46	107,352.90	(2,449.77)	0.00
GNMA	2005 Single Family	4.49	09/25/07	04/20/37	98,509.18	106,712.15			(1,283.30)		97,225.88	103,054.27	(2,374.58)	0.00
GNMA	2005 Single Family				126,237.88	136,065.64			(126,237.88)				(9,827.76)	0.00
GNMA	2005 Single Family	4.49	01/30/08	01/20/38	104,292.40	112,420.30			(530.31)		103,762.09	109,413.56	(2,476.43)	0.00
GNMA	2005 Single Family				110,553.24	117,787.90			(110,553.24)				(7,234.66)	0.00
GNMA	2005 Single Family	4.49	03/26/08	03/20/38	243,239.70	262,212.72			(1,238.48)		242,001.22	255,151.55	(5,822.69)	0.00
FNMA	2005 Single Family	4.49	10/20/05	10/01/35	62,902.21	66,883.00			(423.27)		62,478.94	64,744.49	(1,715.24)	0.00
FNMA	2005 Single Family	4.49	01/05/06	12/01/35	300,854.47	319,451.98			(2,391.19)		298,463.28	309,433.80	(7,626.99)	0.00
FNMA	2005 Single Family	4.49	02/09/06	02/01/36	128,466.18	137,248.17			(40,845.21)		87,620.97	90,883.88	(5,519.08)	0.00
FNMA	2005 Single Family	4.49	02/23/06	01/01/36	122,877.90	130,476.35			(774.00)		122,103.90	126,658.49	(3,043.86)	0.00
FNMA	2005 Single Family	4.49	03/16/06	03/01/36	246,547.11	262,167.71			(91,226.39)		155,320.72	161,063.49	(9,877.83)	0.00
FNMA	2005 Single Family	4.49	04/06/06	03/01/36	235,704.89	250,048.80			(1,409.72)		234,295.17	242,917.31	(5,721.77)	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
FNMA	2005 Single Family	4.49	04/20/06	04/01/36	248,917.99	264,068.37			(1,481.08)		247,436.91	256,534.79	(6,052.50)	0.00
FNMA	2005 Single Family	4.49	05/11/06	04/01/36	47,668.74	50,690.12			(977.99)		46,690.75	48,428.54	(1,283.59)	0.00
FNMA	2005 Single Family	4.49	06/08/06	04/01/36	121,284.38	128,668.55			(737.79)		120,546.59	125,018.57	(2,912.19)	0.00
FNMA	2005 Single Family	4.49	06/27/06	06/01/36	81,876.72	86,862.80			(480.75)		81,395.97	84,357.11	(2,024.94)	0.00
FNMA	2005 Single Family	4.49	07/13/06	06/01/36	309,634.79	336,779.02			(2,661.73)		306,973.06	331,148.94	(2,968.35)	0.00
FNMA	2005 Single Family	4.49	07/19/06	07/01/36	280,497.16	297,581.87			(1,642.95)		278,854.21	289,001.90	(6,937.02)	0.00
FNMA	2005 Single Family	4.49	08/02/06	07/01/36	201,719.64	214,007.21			(1,167.57)		200,552.07	207,851.36	(4,988.28)	0.00
FNMA	2005 Single Family	4.49	08/09/06	07/01/36	111,344.26	117,847.52			(640.81)		110,703.45	114,826.22	(2,380.49)	0.00
FNMA	2005 Single Family	4.49	09/12/06	08/01/36	172,322.73	182,390.23			(989.65)		171,333.08	177,571.91	(3,828.67)	0.00
FNMA	2005 Single Family	4.49	10/17/06	09/01/36	180,465.10	191,917.23			(1,297.92)		179,167.18	185,768.03	(4,851.28)	0.00
FNMA	2005 Single Family	4.49	11/14/06	10/01/36	217,821.98	230,554.36			(1,281.10)		216,540.88	224,432.43	(4,840.83)	0.00
FNMA	2005 Single Family	4.49	11/21/06	10/01/36	44,065.97	46,641.90			(4,491.17)		39,574.80	41,017.14	(1,133.59)	0.00
FNMA	2005 Single Family	4.49	12/12/06	11/01/36	274,821.56	291,579.35			(103,279.78)		171,541.78	177,795.76	(10,503.81)	0.00
FNMA	2005 Single Family	4.49	01/30/07	11/01/36	44,801.18	47,646.32			(553.70)		44,247.48	45,897.88	(1,194.74)	0.00
FNMA	2005 Single Family	4.49	02/13/07	01/01/37	52,115.44	55,254.69			(292.40)		51,823.04	53,806.12	(1,156.17)	0.00
FNMA	2005 Single Family	4.49	03/20/07	02/01/37	146,194.99	154,749.58			(822.82)		145,372.17	150,722.50	(3,204.26)	0.00
FNMA	2005 Single Family	4.49	04/10/07	01/01/37	190,624.60	202,258.25			(1,198.59)		189,426.01	196,341.64	(4,718.02)	0.00
FNMA	2005 Single Family	4.49	04/24/07	04/01/37	335,609.22	355,253.72			(1,833.24)		333,775.98	345,966.37	(7,454.11)	0.00
FNMA	2005 Single Family	4.49	05/22/07	04/01/37	203,634.66	215,556.39			(1,105.29)		202,529.37	209,928.43	(4,522.67)	0.00
FNMA	2005 Single Family	4.49	06/05/07	05/01/37	239,107.50	253,107.99			(1,301.58)		237,805.92	246,495.72	(5,310.69)	0.00
FNMA	2005 Single Family	4.49	07/03/07	06/01/37	484,096.23	526,397.81			(2,765.03)		481,331.20	519,464.45	(4,168.33)	0.00
FNMA	2005 Single Family	4.49	09/25/07	09/01/37	326,922.73	347,496.61			(1,730.82)		325,191.91	338,602.40	(7,163.39)	0.00
FNMA	2005 Single Family	4.49	11/08/07	09/01/37	314,944.20	343,939.22			(2,101.78)		312,842.42	339,054.11	(2,783.33)	0.00
FNMA	2005 Single Family	4.49	11/21/07	09/01/37	131,741.62	141,047.91			(688.27)		131,053.35	137,473.00	(2,886.64)	0.00
FNMA	2005 Single Family	4.49	12/11/07	11/01/37	292,132.55	312,246.60			(1,769.12)		290,363.43	303,865.90	(6,611.58)	0.00
FNMA	2005 Single Family	4.49	03/26/08	02/01/38	435,378.41	475,580.43			(2,920.10)		432,458.31	469,014.62	(3,645.71)	0.00
<b>2005 Single Family Total</b>					<b>57,990,378.77</b>	<b>61,891,619.25</b>	<b>6,630,712.97</b>	<b>(2,045,962.35)</b>	<b>(3,950,585.23)</b>	<b>0.00</b>	<b>58,624,544.16</b>	<b>61,245,194.82</b>	<b>(1,280,589.82)</b>	<b>0.00</b>
<b>Total Single Family Investment Summary</b>					<b>632,389,247.42</b>	<b>683,638,494.41</b>	<b>38,893,254.60</b>	<b>(13,459,116.13)</b>	<b>(43,247,658.45)</b>	<b>(0.00)</b>	<b>614,575,727.44</b>	<b>657,075,146.56</b>	<b>(8,749,827.87)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Repo Agmt	1998 A/B RMRB	0.02	08/30/13	09/03/13	123,782.88	123,782.88	80,485.69				204,268.57	204,268.57	-	0.00
Repo Agmt	1998 A/B RMRB	0.02	08/30/13	09/03/13	1,680,378.99	1,680,378.99		(365,642.20)			1,314,736.79	1,314,736.79	-	0.00
GNMA	1998 A/B RMRB	3.70	08/29/12	08/15/42	1,107,424.56	1,167,757.03			(4,892.47)		1,102,532.09	1,116,611.41	(46,253.15)	0.00
GNMA	1998 A/B RMRB	2.65	12/28/12	11/15/42	272,170.17	262,407.42			(1,518.07)		270,652.10	248,307.06	(12,582.29)	0.00
GNMA	1998 A/B RMRB	3.20	12/28/12	11/15/42	2,479,027.51	2,530,516.91			(155,431.55)		2,323,595.96	2,257,303.77	(117,781.59)	0.00
GNMA	1998 A/B RMRB	3.25	12/28/12	12/15/42	4,680,233.14	4,778,611.61			(22,825.90)		4,657,407.24	4,525,788.89	(229,996.82)	0.00
GNMA	1998 A/B RMRB	3.45	12/28/12	11/15/42	489,588.60	500,369.33			(2,218.41)		487,370.19	474,508.48	(23,642.44)	0.00
GNMA	1998 A/B RMRB	3.20	12/28/12	12/15/42	2,379,315.68	2,428,734.06			(11,616.36)		2,367,699.32	2,300,125.16	(116,992.54)	0.00
GNMA	1998 A/B RMRB	3.25	12/28/12	12/15/42	2,733,894.11	2,791,360.55			(12,843.93)		2,721,050.18	2,644,153.28	(134,363.34)	0.00
GNMA	1998 A/B RMRB	3.25	08/15/13	10/15/42			99,589.14				99,589.14	96,649.26	(2,939.88)	0.00
GNMA	1998 A/B RMRB	3.25	08/15/13	01/15/43			257,524.23				257,524.23	249,937.56	(7,586.67)	0.00
GNMA	1998 A/B RMRB	3.25	08/15/13	02/15/43			2,752,645.39				2,752,645.39	2,674,855.61	(77,789.78)	0.00
GNMA	1998 A/B RMRB	3.25	03/22/13	11/15/42	40,369.82	41,167.93			(669.30)		39,700.52	38,528.56	(1,970.07)	0.00
Repo Agmt	1998 A/B RMRB	0.02	08/30/13	09/03/13	20,034.05	20,034.05		(2,718.33)			17,315.72	17,315.72	-	0.00
GNMA	1998 A/B RMRB	5.75	10/29/09	09/20/39	3,490.79	3,845.90			(12.94)		3,477.85	3,884.59	51.63	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	11/20/39	15,556.00	17,126.86			(59.53)		15,496.47	17,107.16	39.83	0.00
GNMA	1998 A/B RMRB	5.75	11/24/09	09/20/39	2,184.40	2,406.67			(8.04)		2,176.36	2,431.61	32.98	0.00
GNMA	1998 A/B RMRB	5.75	05/25/10	04/20/40	8,088.12	8,912.78			(28.80)		8,059.32	9,001.06	117.08	0.00
GNMA	1998 A/B RMRB	5.75	05/25/10	04/20/40	6,328.29	6,973.53			(23.38)		6,304.91	7,042.49	92.34	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	11/20/39	16,083.45	17,720.61			(59.70)		16,023.75	17,893.56	232.65	0.00
GNMA	1998 A/B RMRB	5.75	12/17/09	10/20/39	2,182.78	2,404.96			(7.98)		2,174.80	2,429.23	32.25	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39	32,737.10	36,061.62			(122.61)		32,614.49	36,438.54	499.53	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	12/20/39	8,141.24	8,970.03			(30.19)		8,111.05	9,062.87	123.03	0.00
GNMA	1998 A/B RMRB	5.75	12/29/09	11/20/39	4,317.48	4,746.12			(17.75)		4,299.73	4,739.70	11.33	0.00
GNMA	1998 A/B RMRB	5.75	01/20/10	12/20/39	16,719.82	18,422.31			(1,462.14)		15,257.68	17,040.64	80.47	0.00
GNMA	1998 A/B RMRB	5.75	01/20/10	12/20/39	3,883.41	4,278.85			(14.23)		3,869.18	4,322.46	57.84	0.00
GNMA	1998 A/B RMRB	5.75	01/27/10	01/20/40	31,450.38	34,653.18			(119.35)		31,331.03	35,004.04	470.21	0.00
GNMA	1998 A/B RMRB	5.75	01/27/10	12/20/39	1,887.06	2,074.45			(8.23)		1,878.83	2,071.38	5.16	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	01/20/40	17,944.41	19,772.18			(83.65)		17,860.76	19,946.34	257.81	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	12/20/39	12,766.41	14,056.64			(55.58)		12,710.83	14,030.99	29.93	0.00
GNMA	1998 A/B RMRB	5.75	02/17/10	12/20/39	2,934.43	3,233.30			(13.30)		2,921.13	3,262.61	42.61	0.00
GNMA	1998 A/B RMRB	5.75	02/23/10	02/20/40	23,550.78	25,949.80			(90.52)		23,460.26	26,203.45	344.17	0.00
GNMA	1998 A/B RMRB	5.75	02/23/10	01/20/40	4,178.98	4,604.68			(15.29)		4,163.69	4,651.02	61.63	0.00
GNMA	1998 A/B RMRB	5.75	03/16/10	02/20/40	21,984.14	24,224.01			(82.24)		21,901.90	24,462.20	320.43	0.00
GNMA	1998 A/B RMRB	5.75	03/16/10	02/20/40	1,878.47	2,069.86			(6.72)		1,871.75	2,090.89	27.75	0.00
GNMA	1998 A/B RMRB	5.75	03/16/10	12/20/39	2,019.01	2,224.69			(7.29)		2,011.72	2,246.74	29.34	0.00
GNMA	1998 A/B RMRB	5.75	03/30/10	01/20/40	9,413.16	10,364.92			(34.14)		9,379.02	10,473.64	142.86	0.00
GNMA	1998 A/B RMRB	5.75	03/30/10	02/20/40	5,389.11	5,938.25			(19.31)		5,369.80	5,999.27	80.33	0.00
GNMA	1998 A/B RMRB	5.75	04/22/10	03/20/40	7,281.33	8,017.75			(30.34)		7,250.99	8,100.10	112.69	0.00
GNMA	1998 A/B RMRB	5.75	04/22/10	04/20/40	5,438.84	5,993.18			(19.83)		5,419.01	6,051.92	78.57	0.00
GNMA	1998 A/B RMRB	5.75	06/15/10	04/20/40	6,373.72	7,023.76			(22.42)		6,351.30	7,093.00	91.66	0.00
GNMA	1998 A/B RMRB	5.75	06/15/10	03/20/40	2,948.91	3,249.65			(10.42)		2,938.49	3,281.91	42.68	0.00
GNMA	1998 A/B RMRB	5.75	07/20/10	07/20/40	12,167.12	13,405.43			(47.36)		12,119.76	13,542.81	184.74	0.00
GNMA	1998 A/B RMRB	5.75	07/28/10	07/20/40	3,716.24	3,790.58			(13.46)		3,702.78	4,137.92	360.80	0.00
GNMA	1998 A/B RMRB	5.75	07/28/10	06/20/40	3,439.61	4,095.44			(15.30)		3,424.31	3,827.21	(252.93)	0.00
GNMA	1998 A/B RMRB	5.75	07/28/10	07/20/40	27,607.39	30,424.31			(2,242.64)		25,364.75	28,343.42	161.75	0.00
GNMA	1998 A/B RMRB	5.75	08/17/10	08/20/40	45,553.02	50,202.00			(4,381.92)		41,171.10	46,009.36	189.28	0.00
GNMA	1998 A/B RMRB	5.75	08/17/10	06/20/40	3,527.22	3,887.18			(12.36)		3,514.86	3,927.96	53.14	0.00
GNMA	1998 A/B RMRB	5.75	08/17/10	05/20/40	1,188.39	1,309.65			(4.15)		1,184.24	1,323.39	17.89	0.00
GNMA	1998 A/B RMRB	5.75	08/24/10	08/20/40	41,660.90	45,912.92			(4,314.75)		37,346.15	41,723.13	124.96	0.00
GNMA	1998 A/B RMRB	5.75	09/14/10	08/20/40	53,898.01	59,400.14			(1,183.70)		52,714.31	58,912.15	695.71	0.00
GNMA	1998 A/B RMRB	5.75	09/14/10	05/20/40	1,629.28	1,795.62			(5.74)		1,623.54	1,814.39	24.51	0.00
GNMA	1998 A/B RMRB	5.75	06/22/10	06/20/40	19,181.73	21,138.15			(2,310.23)		16,871.50	18,821.93	(5.99)	0.00
GNMA	1998 A/B RMRB	5.75	06/22/10	05/20/40	5,661.23	6,238.66			(21.55)		5,639.68	6,277.02	59.91	0.00
GNMA	1998 A/B RMRB	5.75	06/22/10	05/20/40	1,986.57	2,189.21			(7.04)		1,979.53	2,211.94	29.77	0.00
GNMA	1998 A/B RMRB	5.75	06/29/10	06/20/40	17,759.72	19,566.78			(74.98)		17,684.74	19,762.91	271.11	0.00
GNMA	1998 A/B RMRB	5.75	06/29/10	06/20/40	4,839.59	5,333.26			(16.99)		4,822.60	5,369.85	53.58	0.00

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	1998 A/B RMRB	5.75	06/29/10	06/20/40	3,003.50	3,309.85			(10.46)		2,993.04	3,344.73	45.34	0.00
GNMA	1998 A/B RMRB	5.75	06/29/10	05/20/40	2,743.25	3,023.07			(23.99)		2,719.26	3,038.20	39.12	0.00
GNMA	1998 A/B RMRB	5.75	06/29/10	06/20/40	10,142.86	11,177.44			(3,733.97)		6,408.89	7,063.96	(379.51)	0.00
GNMA	1998 A/B RMRB	5.75	07/20/10	06/20/40	21,673.58	23,884.79			(82.91)		21,590.67	24,128.73	326.85	0.00
GNMA	1998 A/B RMRB	5.75	09/21/10	09/20/40	34,411.34	37,924.55			(132.40)		34,278.94	38,308.93	516.78	0.00
GNMA	1998 A/B RMRB	5.75	09/21/10	09/20/40	19,356.24	21,332.38			(68.87)		19,287.37	21,556.61	293.10	0.00
GNMA	1998 A/B RMRB	5.75	09/29/10	07/20/40	1,262.77	1,391.69			(4.73)		1,258.04	1,405.88	18.92	0.00
GNMA	1998 A/B RMRB	5.75	09/29/10	09/20/40	10,866.52	11,975.99			(39.89)		10,826.63	12,100.84	164.74	0.00
FNMA	1998 A/B RMRB	5.75	08/17/10	05/01/40	1,069.67	1,161.15			(3.80)		1,065.87	1,160.31	2.96	0.00
GNMA	1998 A/B RMRB	5.75	10/28/10	09/20/40	217,539.98	237,413.96			(1,004.53)		216,535.45	239,684.76	3,275.33	0.00
GNMA	1998 A/B RMRB	5.75	12/21/10	09/15/40	146,444.81	159,031.48			(527.05)		145,917.76	158,933.36	428.93	0.00
<b>1998 A/B RMRB Total</b>					<b>16,995,702.07</b>	<b>17,410,756.98</b>	<b>3,190,244.45</b>	<b>(368,360.53)</b>	<b>(234,766.68)</b>	<b>0.00</b>	<b>19,582,819.31</b>	<b>19,236,185.23</b>	<b>(761,688.99)</b>	<b>0.00</b>
Repo Agmt	2009 AB RMRB	0.02	08/30/13	09/03/13	2,888,415.91	2,888,415.91		(1,043,830.97)			1,844,584.94	1,844,584.94	-	0.00
GNMA	2009 AB RMRB	8.18	08/01/90	06/20/20	62,358.84	69,297.49			(2,427.08)		59,931.76	66,371.92	(498.49)	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	26,884.94	27,409.91			(2,399.26)		24,485.68	24,976.44	(34.21)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	49,269.05	51,495.83			(1,244.22)		48,024.83	50,122.53	(129.08)	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	08/20/20	71,524.63	79,845.46			(2,724.00)		68,800.63	76,603.64	(517.82)	0.00
GNMA	2009 AB RMRB	8.18	09/04/90	07/20/20	53,999.91	60,867.43			(1,454.40)		52,545.51	58,989.31	(423.72)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	08/20/20	52,115.70	58,744.55			(1,556.35)		50,559.35	56,750.87	(437.33)	0.00
GNMA	2009 AB RMRB	8.18	11/01/90	09/20/20	21,688.51	21,784.76			(605.59)		21,082.92	21,196.86	17.69	0.00
GNMA	2009 AB RMRB	7.18	11/01/90	09/20/20	54,930.40	62,306.76			(1,585.99)		53,344.41	60,048.54	(672.23)	0.00
GNMA	2009 AB RMRB	8.75	12/28/89	09/20/18	375,711.72	417,853.86			(26,949.81)		348,761.91	386,213.40	(4,690.65)	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	10/20/18	33,927.08	34,758.17			(1,245.02)		32,682.06	33,473.98	(39.17)	0.00
GNMA	2009 AB RMRB	8.75	11/30/89	09/20/18	31,950.04	32,659.40			(1,682.14)		30,267.90	30,918.88	(58.38)	0.00
GNMA	2009 AB RMRB	8.75	01/01/90	11/20/18	95,348.18	106,547.61			(21,342.61)		74,005.57	82,479.79	(2,725.21)	0.00
GNMA	2009 AB RMRB				2,552.89	2,561.99			(2,552.89)				(9.10)	0.00
GNMA	2009 AB RMRB	8.75	02/27/90	01/20/19	38,979.12	40,084.32			(1,670.35)		37,308.77	38,345.13	(68.84)	0.00
GNMA	2009 AB RMRB	8.75	05/29/90	04/20/19	35,084.29	35,974.93			(1,721.80)		33,362.49	34,189.21	(63.92)	0.00
GNMA	2009 AB RMRB	8.75	06/28/90	05/20/19	13,716.27	13,780.06			(536.06)		13,180.21	13,254.25	10.25	0.00
GNMA	2009 AB RMRB	7.18	02/01/91	11/20/20	54,990.88	62,377.39			(2,037.15)		52,953.73	59,610.78	(729.46)	0.00
GNMA	2009 AB RMRB	8.18	02/25/91	11/20/20	43,698.93	47,907.02			(1,284.92)		42,414.01	46,243.70	(378.40)	0.00
GNMA	2009 AB RMRB	7.18	05/02/91	02/20/21	44,876.50	51,402.70			(1,175.96)		43,700.54	49,622.64	(604.10)	0.00
GNMA	2009 AB RMRB	8.75	09/28/90	08/20/19	26,206.77	26,743.72			(1,146.65)		25,060.12	25,588.77	(8.30)	0.00
GNMA	2009 AB RMRB	8.75	10/23/90	09/20/19	25,278.11	25,796.39			(808.98)		24,469.13	24,987.35	(0.06)	0.00
GNMA	2009 AB RMRB	8.75	11/28/90	09/20/19	62,605.91	70,820.26			(1,858.55)		60,747.36	68,441.85	(519.86)	0.00
GNMA	2009 AB RMRB	8.75	12/21/90	09/20/19	20,208.05	20,303.53			(641.01)		19,567.04	19,678.41	15.89	0.00
GNMA	2009 AB RMRB	8.75	01/25/91	12/20/19	53,486.48	56,141.66			(1,650.86)		51,835.62	54,398.66	(92.14)	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	02/20/20	16,335.46	16,413.86			(473.81)		15,861.65	15,953.12	13.07	0.00
GNMA	2009 AB RMRB	8.75	03/28/91	12/20/19	36,455.50	37,449.72			(1,070.86)		35,384.64	36,346.28	(32.58)	0.00
GNMA	2009 AB RMRB	8.18	05/02/91	03/20/21	94,197.25	105,865.24			(3,474.96)		90,722.29	101,622.99	(767.29)	0.00
GNMA	2009 AB RMRB	6.10	07/28/00	07/20/30	690,465.81	771,899.35			(6,590.63)		683,875.18	759,135.66	(6,173.06)	0.00
FNMA	2009 AB RMRB	6.10	04/28/00	04/01/30	48,743.65	54,494.91			(543.35)		48,200.30	52,637.61	(1,313.95)	0.00
GNMA	2009 AB RMRB	6.10	04/20/00	04/20/30	364,683.91	407,191.42			(4,362.51)		360,321.40	399,949.52	(2,879.39)	0.00
GNMA	2009 AB RMRB	6.10	04/27/00	04/20/30	513,957.11	570,877.78			(46,689.39)		467,267.72	515,358.84	(8,829.55)	0.00
GNMA	2009 AB RMRB	6.10	06/26/00	06/20/30	780,839.31	867,317.22			(10,026.37)		770,812.94	850,168.13	(7,122.72)	0.00
GNMA	2009 AB RMRB	6.10	05/30/00	03/20/30	1,059,140.72	1,176,440.56			(19,517.00)		1,039,623.72	1,146,590.63	(10,332.93)	0.00
FNMA	2009 AB RMRB	6.10	05/30/00	05/01/30	76,242.69	85,238.56			(2,261.89)		73,980.80	80,921.67	(2,055.00)	0.00
FNMA	2009 AB RMRB	6.10	06/26/00	06/01/30	68,524.03	76,609.17			(48,116.38)		20,407.65	22,279.03	(6,213.76)	0.00
GNMA	2009 AB RMRB	6.10	09/14/00	08/20/30	1,287,056.60	1,438,852.06			(83,727.34)		1,203,329.26	1,335,803.76	(19,320.96)	0.00
GNMA	2009 AB RMRB	6.10	10/19/00	09/20/30	546,443.55	610,208.02			(4,449.15)		541,994.40	600,990.47	(4,768.40)	0.00
GNMA	2009 AB RMRB	6.10	10/23/00	10/20/30	146,404.04	163,487.89			(1,277.33)		145,126.71	160,935.33	(1,275.23)	0.00
GNMA	2009 AB RMRB	6.10	10/27/00	10/20/30	106,847.03	119,448.56			(958.79)		105,888.24	117,566.64	(923.13)	0.00
GNMA	2009 AB RMRB	6.10	10/30/00	10/20/30	123,281.28	137,589.27			(969.86)		122,311.42	135,580.95	(1,038.46)	0.00
GNMA	2009 AB RMRB	6.10	01/16/01	12/20/30	78,069.67	86,472.30			(1,402.25)		76,667.42	84,341.06	(728.99)	0.00
GNMA	2009 AB RMRB	6.10	01/29/01	12/20/30	45,391.36	50,276.82			(565.93)		44,825.43	49,295.42	(415.47)	0.00
GNMA	2009 AB RMRB	6.10	12/21/00	11/20/30	276,534.26	309,148.67			(55,379.89)		221,154.37	242,351.98	(11,416.80)	0.00

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change	Recognized
		Interest Rate	Purchase Date	Maturity Date	Carrying Value	Market Value					Carrying Value	Market Value	In Market Value	
GNMA	2009 AB RMRB	6.10	12/27/00	12/20/30	116,889.01	129,469.77			(2,277.09)		114,611.92	126,079.98	(1,112.70)	0.00
GNMA	2009 AB RMRB	6.10	02/20/01	01/20/31	53,391.02	59,621.17			(431.70)		52,959.32	58,715.41	(474.06)	0.00
GNMA	2009 AB RMRB	6.10	03/15/01	03/20/31	119,122.11	132,947.41			(911.22)		118,210.89	131,009.58	(1,026.61)	0.00
GNMA	2009 AB RMRB	6.10	03/29/01	03/20/31	48,805.34	54,469.68			(368.26)		48,437.08	53,654.23	(447.19)	0.00
GNMA	2009 AB RMRB	6.10	05/10/01	04/20/31	340,285.77	379,993.71			(2,966.98)		337,318.79	374,076.42	(2,950.31)	0.00
FNMA	2009 AB RMRB	6.10	09/11/00	08/01/30	318,045.38	363,274.63			(107,593.66)		210,451.72	232,589.16	(23,091.81)	0.00
FNMA	2009 AB RMRB	6.10	10/06/00	10/01/30	82,734.39	92,496.20			(924.91)		81,809.48	89,311.39	(2,259.90)	0.00
GNMA	2009 AB RMRB	6.10	05/30/01	05/20/31	155,606.71	173,764.45			(1,285.76)		154,320.95	171,124.95	(1,353.74)	0.00
GNMA	2009 AB RMRB	6.10	06/18/01	04/20/31	89,504.27	99,361.37			(1,063.97)		88,440.30	97,487.74	(809.66)	0.00
GNMA	2009 AB RMRB	6.10	07/25/01	06/20/31	207,392.22	231,592.86			(1,951.54)		205,440.68	227,829.64	(1,811.68)	0.00
GNMA	2009 AB RMRB	6.10	08/31/01	08/20/31	277,176.83	309,345.98			(2,071.25)		275,105.58	305,202.12	(2,072.61)	0.00
FNMA	2009 AB RMRB	6.10	12/27/00	11/01/30	109,683.97	122,625.58			(2,068.18)		107,615.79	117,484.15	(3,073.25)	0.00
FNMA	2009 AB RMRB	6.10	01/12/01	12/01/30	20,161.57	22,540.43			(1,436.55)		18,725.02	20,442.10	(661.78)	0.00
FNMA	2009 AB RMRB	6.10	02/05/01	01/01/31	133,971.83	145,813.59			(2,157.57)		131,814.26	143,912.16	256.14	0.00
GNMA	2009 AB RMRB	6.10	09/20/01	08/20/31	149,507.15	166,858.92			(1,122.75)		148,384.40	164,442.54	(1,293.63)	0.00
GNMA	2009 AB RMRB	6.10	10/17/01	09/20/31	94,045.74	104,960.68			(696.63)		93,349.11	103,551.23	(712.82)	0.00
GNMA	2009 AB RMRB	6.10	10/30/01	05/20/31	34,968.55	39,092.74			(338.14)		34,630.41	38,487.19	(267.41)	0.00
FNMA	2009 AB RMRB	6.10	03/15/01	02/01/31	117,726.25	128,132.06			(1,278.39)		116,447.86	127,126.13	272.46	0.00
GNMA	2009 AB RMRB	6.10	02/25/02	02/20/32	580,930.44	647,993.06			(4,989.40)		575,941.04	639,386.73	(3,616.93)	0.00
GNMA	2009 AB RMRB	6.10	05/24/02	05/20/32	58,429.52	64,900.58			(594.76)		57,834.76	63,864.03	(441.79)	0.00
GNMA	2009 AB RMRB	6.10	03/21/02	03/20/32	100,032.83	111,642.67			(840.60)		99,192.23	110,032.00	(770.07)	0.00
GNMA	2009 AB RMRB	6.10	04/17/02	03/20/32	264,365.58	295,047.74			(2,165.09)		262,200.49	290,874.63	(2,008.02)	0.00
GNMA	2009 AB RMRB	6.10	04/29/02	04/20/32	267,878.19	298,968.13			(2,180.31)		265,697.88	294,741.33	(2,046.49)	0.00
GNMA	2009 AB RMRB	6.10	06/19/02	04/20/32	182,376.69	203,430.25			(100,421.76)		81,954.93	90,979.80	(12,028.69)	0.00
GNMA	2009 AB RMRB	6.10	06/28/02	06/20/32	53,382.88	59,545.39			(356.02)		53,026.86	58,803.07	(386.30)	0.00
GNMA	2009 AB RMRB	6.10	01/30/03	01/20/33	95,116.15	105,977.46			(595.71)		94,520.44	104,712.57	(669.18)	0.00
FNMA	2009 AB RMRB	6.10	10/17/01	09/01/31	65,168.05	72,792.05			(696.83)		64,471.22	70,399.99	(1,695.23)	0.00
FNMA	2009 AB RMRB	6.10	01/28/02	11/01/31	120,602.74	134,712.05			(1,056.32)		119,546.42	130,508.82	(3,146.91)	0.00
FNMA	2009 AB RMRB	6.10	04/17/02	02/01/32	30,857.15	34,590.55			(210.52)		30,646.63	33,505.04	(874.99)	0.00
GNMA	2009 AB RMRB	5.75	10/29/09	09/20/39	206,810.23	227,849.84			(766.85)		206,043.38	230,141.52	(3,058.53)	0.00
GNMA	2009 AB RMRB	5.75	11/24/09	11/20/39	921,611.65	1,014,675.91			(3,526.69)		918,084.96	1,013,509.34	2,360.12	0.00
GNMA	2009 AB RMRB	5.75	11/24/09	09/20/39	129,413.44	142,582.47			(476.48)		128,936.96	144,060.54	1,954.55	0.00
GNMA	2009 AB RMRB	5.75	05/25/10	04/20/40	479,177.94	528,035.32			(1,706.48)		477,471.46	533,265.71	6,936.87	0.00
GNMA	2009 AB RMRB	5.75	05/25/10	04/20/40	374,917.98	413,144.95			(1,384.91)		373,533.07	417,230.81	5,470.77	0.00
GNMA	2009 AB RMRB	5.75	12/17/09	11/20/39	952,860.87	1,049,852.11			(3,537.39)		949,323.48	1,060,099.04	13,784.32	0.00
GNMA	2009 AB RMRB	5.75	12/17/09	10/20/39	129,318.58	142,481.29			(473.02)		128,845.56	143,919.00	1,910.73	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	12/20/39	1,939,500.36	2,136,459.72			(7,264.17)		1,932,236.19	2,158,790.60	29,595.05	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	12/20/39	482,324.27	531,426.82			(1,788.53)		480,535.74	536,927.02	7,288.73	0.00
GNMA	2009 AB RMRB	5.75	12/29/09	11/20/39	255,788.68	281,182.54			(1,052.33)		254,736.35	280,802.59	672.38	0.00
GNMA	2009 AB RMRB	5.75	01/20/10	12/20/39	990,560.57	1,091,424.52			(86,624.07)		903,936.50	1,009,568.15	4,767.70	0.00
GNMA	2009 AB RMRB	5.75	01/20/10	12/20/39	230,071.91	253,498.99			(843.26)		229,228.65	256,082.80	3,427.07	0.00
GNMA	2009 AB RMRB	5.75	01/27/10	01/20/40	1,863,269.28	2,053,017.62			(7,071.21)		1,856,198.07	2,073,804.02	27,857.61	0.00
GNMA	2009 AB RMRB	5.75	01/27/10	12/20/39	111,798.00	122,900.40			(487.77)		111,310.23	122,718.27	305.64	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	01/20/40	1,063,112.57	1,171,397.26			(4,956.00)		1,058,156.57	1,181,715.20	15,273.94	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	12/20/39	756,341.96	832,781.98			(3,292.76)		753,049.20	831,262.09	1,772.87	0.00
GNMA	2009 AB RMRB	5.75	02/17/10	12/20/39	173,849.01	191,556.05			(788.06)		173,060.95	193,292.59	2,524.60	0.00
GNMA	2009 AB RMRB	5.75	02/23/10	02/20/40	1,395,258.83	1,537,388.65			(5,362.29)		1,389,896.54	1,552,416.27	20,389.91	0.00
GNMA	2009 AB RMRB	5.75	02/23/10	01/20/40	247,583.84	272,803.15			(905.53)		246,678.31	275,548.50	3,650.88	0.00
GNMA	2009 AB RMRB	5.75	03/16/10	02/20/40	1,302,443.38	1,435,144.51			(4,872.41)		1,297,570.97	1,449,255.97	18,983.87	0.00
GNMA	2009 AB RMRB	5.75	03/16/10	02/20/40	111,289.50	122,628.41			(397.72)		110,891.78	123,873.99	1,643.30	0.00
GNMA	2009 AB RMRB	5.75	03/16/10	12/20/39	119,614.98	131,801.15			(431.84)		119,183.14	133,107.38	1,738.07	0.00
GNMA	2009 AB RMRB	5.75	03/30/10	01/20/40	557,680.64	614,067.08			(2,022.11)		555,658.53	620,508.04	8,463.07	0.00
GNMA	2009 AB RMRB	5.75	03/30/10	02/20/40	319,276.35	351,810.47			(1,144.02)		318,132.33	355,425.57	4,759.12	0.00
GNMA	2009 AB RMRB	5.75	04/22/10	03/20/40	431,380.76	475,009.61			(1,796.96)		429,583.80	479,888.15	6,675.50	0.00
GNMA	2009 AB RMRB	5.75	04/22/10	04/20/40	322,220.38	355,064.24			(1,174.83)		321,045.55	358,544.29	4,654.88	0.00
GNMA	2009 AB RMRB	5.75	06/15/10	04/20/40	377,611.03	416,120.57			(1,328.24)		376,282.79	420,222.88	5,430.55	0.00
GNMA	2009 AB RMRB	5.75	06/15/10	03/20/40	174,708.29	192,524.78			(618.23)		174,090.06	194,436.04	2,529.49	0.00

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/ Purchases	Amortizations/ Sales		Ending Carrying Value	Ending Market Value	Change In Market Value	Recognized Gain	
Type	Issue	Rate	Date	Date	05/31/13	05/31/13			Maturities Transfers	08/31/13	08/31/13			
GNMA	2009 AB RMRB	5.75	07/20/10	07/20/40	720,838.20	794,200.81			(2,805.58)	718,032.62	802,340.30	10,945.07	0.00	
GNMA	2009 AB RMRB	5.75	07/28/10	07/20/40	220,168.61	224,572.02			(797.43)	219,371.18	245,150.28	21,375.69	0.00	
GNMA	2009 AB RMRB	5.75	07/28/10	06/20/40	203,780.14	242,633.35			(906.16)	202,873.98	226,742.42	(14,984.77)	0.00	
GNMA	2009 AB RMRB	5.75	07/28/10	07/20/40	1,635,592.67	1,802,479.20			(132,864.60)	1,502,728.07	1,679,197.72	9,583.12	0.00	
GNMA	2009 AB RMRB	5.75	08/17/10	08/20/40	2,698,775.33	2,974,203.01			(259,605.49)	2,439,169.84	2,725,811.37	11,213.85	0.00	
GNMA	2009 AB RMRB	5.75	08/17/10	06/20/40	208,969.63	230,295.17			(732.30)	208,237.33	232,711.32	3,148.45	0.00	
GNMA	2009 AB RMRB	5.75	08/17/10	05/20/40	70,405.62	77,590.36			(245.95)	70,159.67	78,403.85	1,059.44	0.00	
GNMA	2009 AB RMRB	5.75	08/24/10	08/20/40	2,468,186.59	2,720,097.62			(255,625.78)	2,212,560.81	2,471,874.67	7,402.83	0.00	
GNMA	2009 AB RMRB	5.75	09/14/10	08/20/40	3,193,171.32	3,519,144.22			(70,128.41)	3,123,042.91	3,490,233.19	41,217.38	0.00	
GNMA	2009 AB RMRB	5.75	09/14/10	05/20/40	96,528.54	106,381.73			(339.25)	96,189.29	107,493.82	1,451.34	0.00	
GNMA	2009 AB RMRB	5.75	06/22/10	06/20/40	1,136,414.64	1,252,323.66			(136,868.53)	999,546.11	1,115,099.96	(355.17)	0.00	
GNMA	2009 AB RMRB	5.75	06/22/10	05/20/40	335,399.52	369,607.59			(1,277.44)	334,122.08	371,880.59	3,550.44	0.00	
GNMA	2009 AB RMRB	5.75	06/22/10	05/20/40	117,695.22	129,699.16			(416.83)	117,278.39	131,045.67	1,763.34	0.00	
GNMA	2009 AB RMRB	5.75	06/29/10	06/20/40	1,052,170.43	1,159,228.32			(4,442.29)	1,047,728.14	1,170,847.94	16,061.91	0.00	
GNMA	2009 AB RMRB	5.75	06/29/10	06/20/40	286,721.54	315,967.73			(1,006.97)	285,714.57	318,135.35	3,174.59	0.00	
GNMA	2009 AB RMRB	5.75	06/29/10	06/20/40	177,940.96	196,091.30			(618.66)	177,322.30	198,157.86	2,685.22	0.00	
GNMA	2009 AB RMRB	5.75	06/29/10	05/20/40	162,523.54	179,100.72			(1,421.19)	161,102.35	179,997.35	2,317.82	0.00	
GNMA	2009 AB RMRB	5.75	06/29/10	06/20/40	600,910.43	662,204.52			(221,218.10)	379,692.33	418,502.54	(22,483.88)	0.00	
GNMA	2009 AB RMRB	5.75	07/20/10	06/20/40	1,284,045.27	1,415,047.64			(4,911.54)	1,279,133.73	1,429,499.55	19,363.45	0.00	
GNMA	2009 AB RMRB	5.75	09/21/10	09/20/40	2,038,690.05	2,246,828.87			(7,844.09)	2,030,845.96	2,269,601.31	30,616.53	0.00	
GNMA	2009 AB RMRB	5.75	09/21/10	09/20/40	1,146,753.83	1,263,830.98			(4,080.02)	1,142,673.81	1,277,115.52	17,364.56	0.00	
GNMA	2009 AB RMRB	5.75	09/29/10	07/20/40	74,812.38	82,450.49			(281.36)	74,531.02	83,291.07	1,121.94	0.00	
GNMA	2009 AB RMRB	5.75	09/29/10	09/20/40	643,782.89	709,514.53			(2,362.78)	641,420.11	716,911.14	9,759.39	0.00	
FNMA	2009 AB RMRB	5.75	08/17/10	05/01/40	63,371.88	68,792.25			(225.19)	63,146.69	68,742.57	175.51	0.00	
Repo Agmt	2009 AB RMRB	0.02	08/30/13	09/03/13	49,106.33	49,106.33	61,335.79			110,442.12	110,442.12	-	0.00	
GNMA	2009 AB RMRB	5.00	07/28/11	04/15/41	99,282.83	106,281.28			(378.12)	98,904.71	106,650.93	747.77	0.00	
GNMA	2009 AB RMRB	5.35	01/31/01	01/20/31	37,046.90	40,174.03			(1,041.49)	36,005.41	38,659.73	(472.81)	0.00	
FNMA	2009 AB RMRB	5.35	03/15/01	10/01/30	117,444.87	127,963.23			(2,076.42)	115,368.45	123,850.34	(2,036.47)	0.00	
GNMA	2009 AB RMRB	5.35	06/18/01	03/01/31	43,873.38	47,768.46			(2,804.64)	41,068.74	44,088.11	(875.71)	0.00	
GNMA	2009 AB RMRB	5.35	03/18/02	02/20/32	33,931.72	37,050.38			(265.82)	33,665.90	36,638.26	(146.30)	0.00	
GNMA	2009 AB RMRB	5.49	04/16/04	04/20/34	44,560.79	48,656.37			(337.41)	44,223.38	48,147.32	(171.64)	0.00	
GNMA	2009 AB RMRB	4.85	10/18/11	07/15/41	75,677.77	79,934.64			(327.81)	75,349.96	80,226.61	619.78	0.00	
Repo Agmt	2009 AB RMRB	0.02	08/30/13	09/03/13	232,908.77	232,908.77	114,002.86			346,911.63	346,911.63	-	0.00	
GNMA	2009 AB RMRB	4.25	06/28/11	05/15/41	136,727.55	143,308.25			(57,916.61)	78,810.94	82,148.58	(3,243.06)	0.00	
GNMA	2009 AB RMRB	5.00	07/14/11	04/15/41	99,378.17	106,383.34			(378.46)	98,999.71	106,746.44	741.56	0.00	
GNMA	2009 AB RMRB	3.85	10/27/11	09/15/41	123,180.91	129,692.25			(555.09)	122,625.82	124,021.30	(5,115.86)	0.00	
GNMA	2009 AB RMRB	3.10	08/15/12	06/15/42	154,389.06	157,441.33			(755.54)	153,633.52	149,087.50	(7,598.29)	0.00	
GNMA	2009 AB RMRB	3.10	09/17/12	09/15/42	159,083.93	162,229.02			(940.75)	158,143.18	153,463.72	(7,824.55)	0.00	
GNMA	2009 AB RMRB	2.60	11/15/12	10/15/42	212,290.90	204,676.03			(2,651.50)	209,639.40	192,394.46	(9,630.07)	0.00	
GNMA	2009 AB RMRB	2.65	11/28/12	11/15/42	245,737.79	236,923.18			(1,304.33)	244,433.46	224,253.03	(11,365.82)	0.00	
GNMA	2009 AB RMRB	3.70	11/28/12	07/15/42	129,773.05	136,632.85			(570.47)	129,202.58	130,654.82	(5,407.56)	0.00	
GNMA	2009 AB RMRB	3.70	11/28/12	11/15/42	126,433.10	133,116.35			(544.94)	125,888.16	127,303.14	(5,268.27)	0.00	
GNMA	2009 AB RMRB	3.45	12/28/12	09/15/42	84,391.76	86,060.19			(401.91)	83,989.85	81,543.23	(4,115.05)	0.00	
GNMA	2009 AB RMRB	3.45	12/28/12	09/15/42	153,312.86	156,343.86			(727.10)	152,585.76	148,140.94	(7,475.82)	0.00	
GNMA	2009 AB RMRB	3.45	12/28/12	11/15/42	110,950.63	113,144.12			(499.51)	110,451.12	107,233.68	(5,410.93)	0.00	
GNMA	2009 AB RMRB	3.45	12/28/12	10/15/42	255,175.83	260,220.66			(1,158.79)	254,017.04	246,617.52	(12,444.35)	0.00	
GNMA	2009 AB RMRB	3.45	12/28/12	11/15/42	225,821.41	230,285.90			(1,059.35)	224,762.06	218,214.74	(11,011.81)	0.00	
GNMA	2009 AB RMRB	3.25	01/29/13	01/15/43	1,002,074.75	1,023,138.36			(4,925.35)	997,149.40	968,969.96	(49,243.05)	0.00	
<b>2009 AB RMRB Total</b>					<b>55,897,580.24</b>	<b>61,117,478.49</b>	<b>175,338.65</b>	<b>(1,043,830.97)</b>	<b>(1,957,952.72)</b>	<b>0.00</b>	<b>53,071,135.20</b>	<b>58,360,866.91</b>	<b>69,833.46</b>	<b>0.00</b>
Repo Agmt	2009C-1 RMRB	0.02	08/30/13	09/03/13	4,123,574.92	4,123,574.92	7,100,733.55			11,224,308.47	11,224,308.47	-	0.00	
Repo Agmt	2009C-1 RMRB	0.02	08/30/13	09/03/13	238,350.57	238,350.57		(213,224.00)		25,126.57	25,126.57	-	0.00	
Repo Agmt	2009C-1 RMRB	0.02	08/30/13	09/03/13	1,968.22	1,968.22	0.03			1,968.25	1,968.25	-	0.00	
GNMA	2009C-1 RMRB	5.10	08/11/11	07/15/41	1,215,556.12	1,330,389.67			(4,499.76)	1,211,056.36	1,319,373.20	(6,516.71)	0.00	
GNMA	2009C-1 RMRB	5.10	08/30/11	06/15/41	74,896.00	80,175.41			(277.10)	74,618.90	80,469.76	571.45	0.00	
GNMA	2009C-1 RMRB	5.24	08/24/10	08/20/40	2,109,190.02	2,296,043.13			(238,886.95)	1,870,303.07	2,027,445.91	(29,710.27)	0.00	
GNMA	2009C-1 RMRB	5.24	09/14/10	08/20/40	1,771,000.59	1,927,893.50			(338,176.19)	1,432,824.40	1,548,052.11	(41,665.20)	0.00	



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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2009C-1 RMRB	5.24	09/21/10	09/20/40	1,920,555.81	2,091,658.04			(287,861.61)		1,632,694.20	1,766,248.48	(37,547.95)	0.00
GNMA	2009C-1 RMRB	5.00	09/21/10	09/15/40	2,171,034.86	2,376,132.48			(246,189.02)		1,924,845.84	2,094,174.48	(35,768.98)	0.00
GNMA	2009C-1 RMRB	5.00	09/28/10	09/15/40	525,513.84	571,380.70			(3,151.11)		522,362.73	567,933.67	(295.92)	0.00
GNMA	2009C-1 RMRB	5.00	10/19/10	09/15/40	2,056,313.57	2,231,429.22			(218,181.64)		1,838,131.93	1,990,329.24	(22,918.34)	0.00
GNMA	2009C-1 RMRB	5.24	10/19/10	10/20/40	2,317,318.58	2,523,768.50			(127,835.29)		2,189,483.29	2,373,356.11	(22,577.10)	0.00
GNMA	2009C-1 RMRB	5.00	10/28/10	10/15/40	1,546,422.38	1,692,512.87			(6,425.13)		1,539,997.25	1,677,441.98	(8,645.76)	0.00
GNMA	2009C-1 RMRB	5.75	10/28/10	09/20/40	691,002.33	754,132.76			(3,190.86)		687,811.47	761,345.85	10,403.95	0.00
GNMA	2009C-1 RMRB	4.25	10/28/10	10/20/40	70,840.92	76,128.48			(318.12)		70,522.80	73,917.76	(1,892.60)	0.00
GNMA	2009C-1 RMRB	4.90	10/28/10	10/20/40	4,601,919.21	5,015,217.57			(625,857.87)		3,976,061.34	4,245,598.54	(143,761.16)	0.00
GNMA	2009C-1 RMRB	5.24	10/28/10	10/20/40	663,383.04	722,152.12			(3,170.51)		660,212.53	715,941.05	(3,040.56)	0.00
GNMA	2009C-1 RMRB	4.90	11/18/10	11/20/40	2,116,122.78	2,306,171.71			(294,933.68)		1,821,189.10	1,944,884.22	(66,353.81)	0.00
GNMA	2009C-1 RMRB	4.85	11/18/10	11/20/40	2,356,118.23	2,567,721.21			(139,037.03)		2,217,081.20	2,374,471.79	(54,212.39)	0.00
GNMA	2009C-1 RMRB	4.90	11/18/10	11/20/40	2,116,246.88	2,306,307.01			(8,702.88)		2,107,544.00	2,258,296.61	(39,307.52)	0.00
GNMA	2009C-1 RMRB	4.85	11/18/10	11/20/40	2,323,625.93	2,532,310.74			(137,927.12)		2,185,698.81	2,341,473.53	(52,910.09)	0.00
GNMA	2009C-1 RMRB	5.00	12/07/10	11/15/40	1,019,614.90	1,121,668.13			(214,957.32)		804,657.58	866,825.41	(39,885.40)	0.00
GNMA	2009C-1 RMRB	4.49	12/21/10	07/15/40	137,041.40	143,637.20			(600.02)		136,441.38	142,219.67	(817.51)	0.00
GNMA	2009C-1 RMRB	4.25	12/21/10	09/15/40	67,020.26	70,312.96			(369.54)		66,650.72	69,473.37	(470.05)	0.00
GNMA	2009C-1 RMRB	4.90	12/21/10	12/15/40	1,546,334.14	1,667,535.77			(111,450.43)		1,434,883.71	1,536,990.01	(19,095.33)	0.00
GNMA	2009C-1 RMRB	4.85	12/21/10	11/15/40	2,968,390.28	3,198,618.62			(301,391.85)		2,666,998.43	2,856,621.99	(40,604.78)	0.00
GNMA	2009C-1 RMRB	4.90	12/21/10	12/15/40	1,818,868.74	1,961,431.64			(81,659.61)		1,737,209.13	1,861,419.55	(18,352.48)	0.00
GNMA	2009C-1 RMRB	4.85	12/21/10	11/15/40	1,938,456.59	2,090,392.78			(382,526.34)		1,555,930.25	1,656,256.59	(51,609.85)	0.00
GNMA	2009C-1 RMRB	4.49	12/21/10	10/15/40	84,217.24	88,270.61			(365.37)		83,851.87	87,408.86	(496.38)	0.00
GNMA	2009C-1 RMRB	4.15	12/21/10	09/15/40	27,964.66	29,791.59			(139.53)		27,825.13	29,205.53	(446.53)	0.00
GNMA	2009C-1 RMRB	5.75	12/21/10	09/15/40	465,173.16	505,155.02			(1,674.15)		463,499.01	504,843.35	1,362.48	0.00
GNMA	2009C-1 RMRB	5.00	12/29/10	10/15/40	533,811.21	579,569.49			(2,212.87)		531,598.34	576,061.21	(1,295.41)	0.00
GNMA	2009C-1 RMRB	4.80	02/15/11	01/15/41	1,161,237.02	1,252,254.79			(260,231.97)		901,005.05	958,317.98	(33,704.84)	0.00
GNMA	2009C-1 RMRB	4.80	02/15/11	02/15/41	1,547,998.15	1,669,330.21			(279,956.26)		1,268,041.89	1,349,653.04	(39,720.91)	0.00
GNMA	2009C-1 RMRB	4.45	02/15/11	01/15/41	2,703,513.36	2,880,133.86			(183,593.83)		2,519,919.53	2,644,983.13	(51,556.90)	0.00
GNMA	2009C-1 RMRB	4.90	02/24/11	10/15/40	85,506.33	90,316.06			(343.18)		85,163.15	90,641.69	668.81	0.00
GNMA	2009C-1 RMRB	4.85	02/24/11	12/15/40	572,815.57	617,712.85			(2,324.87)		570,490.70	610,630.42	(4,757.56)	0.00
GNMA	2009C-1 RMRB	4.90	02/24/11	01/15/41	155,730.52	164,490.36			(621.18)		155,109.34	165,096.82	1,227.64	0.00
GNMA	2009C-1 RMRB	4.85	02/24/11	01/15/41	952,731.82	1,027,406.90			(118,142.04)		834,589.78	889,756.13	(19,508.73)	0.00
GNMA	2009C-1 RMRB	4.05	02/24/11	12/15/40	291,217.26	304,493.85			(176,776.10)		114,441.16	119,287.74	(8,430.01)	0.00
GNMA	2009C-1 RMRB	3.70	02/24/11	01/15/41	64,886.36	68,316.25			(403.65)		64,482.71	65,221.03	(2,691.57)	0.00
GNMA	2009C-1 RMRB	4.80	02/24/11	01/15/41	838,748.23	901,075.58			(3,374.94)		835,373.29	895,336.36	(2,364.28)	0.00
GNMA	2009C-1 RMRB	4.45	02/24/11	02/15/41	2,468,076.26	2,629,315.66			(393,787.02)		2,074,289.24	2,163,794.80	(71,733.84)	0.00
GNMA	2009C-1 RMRB	4.85	01/20/11	12/15/40	1,824,382.25	1,967,377.33			(8,240.87)		1,816,141.38	1,945,759.40	(13,377.06)	0.00
GNMA	2009C-1 RMRB	4.85	01/20/11	12/15/40	3,265,868.08	3,521,846.76			(264,192.80)		3,001,675.28	3,216,955.37	(40,698.59)	0.00
GNMA	2009C-1 RMRB	4.15	01/20/11	10/15/40	175,495.60	183,942.20			(803.34)		174,692.26	182,090.47	(1,048.39)	0.00
GNMA	2009C-1 RMRB	5.24	01/20/11	08/15/40	113,707.99	122,371.40			(442.87)		113,265.12	122,112.25	183.72	0.00
GNMA	2009C-1 RMRB	4.80	01/20/11	12/15/40	2,907,816.03	3,135,730.64			(302,895.74)		2,604,920.29	2,791,953.56	(40,881.34)	0.00
GNMA	2009C-1 RMRB	4.90	01/26/11	01/15/41	402,309.83	424,939.75			(259,640.30)		142,669.53	151,877.40	(13,422.05)	0.00
GNMA	2009C-1 RMRB	4.90	01/26/11	12/15/40	592,581.40	639,027.91			(3,419.12)		589,162.28	631,405.20	(4,203.59)	0.00
GNMA	2009C-1 RMRB	5.00	01/26/11	10/15/40	77,967.17	83,463.07			(307.56)		77,659.61	83,716.28	560.77	0.00
GNMA	2009C-1 RMRB	4.05	01/26/11	12/15/40	173,623.06	181,559.36			(807.36)		172,815.70	180,134.44	(617.56)	0.00
GNMA	2009C-1 RMRB	4.80	01/26/11	01/15/41	4,036,280.78	4,352,644.43			(307,525.14)		3,728,755.64	3,996,331.12	(48,788.17)	0.00
GNMA	2009C-1 RMRB	4.45	01/26/11	01/15/41	2,018,571.57	2,149,940.21			(112,041.18)		1,906,530.39	2,001,094.31	(36,804.72)	0.00
GNMA	2009C-1 RMRB	4.10	01/26/11	11/15/40	158,952.64	166,603.03			(727.35)		158,225.29	164,926.13	(949.55)	0.00
GNMA	2009C-1 RMRB	4.45	02/24/11	02/20/41	265,381.55	280,065.11			(1,140.58)		264,240.97	273,455.05	(5,469.48)	0.00
GNMA	2009C-1 RMRB	4.80	03/16/11	02/15/41	233,351.63	246,477.65			(1,032.40)		232,319.23	247,317.75	1,872.50	0.00
GNMA	2009C-1 RMRB	4.45	03/16/11	02/15/41	2,225,291.44	2,370,669.74			(9,736.31)		2,215,555.13	2,324,516.14	(36,417.29)	0.00
GNMA	2009C-1 RMRB	4.85	03/29/11	12/15/40	398,295.74	420,699.87			(1,813.69)		396,482.05	422,031.35	3,145.17	0.00
GNMA	2009C-1 RMRB	5.00	03/29/11	03/15/41	4,839,450.20	5,289,664.18			(19,532.86)		4,819,917.34	5,249,709.32	(20,422.00)	0.00
GNMA	2009C-1 RMRB	3.70	03/29/11	02/15/41	551,206.33	581,236.03			(2,718.07)		548,488.26	555,635.05	(22,882.91)	0.00
GNMA	2009C-1 RMRB	4.45	03/29/11	03/15/41	972,651.06	1,036,194.36			(209,672.68)		762,978.38	795,290.50	(31,231.18)	0.00
GNMA	2009C-1 RMRB	4.45	03/29/11	01/20/41	164,200.65	173,285.87			(698.22)		163,502.43	168,924.16	(3,663.49)	0.00
GNMA	2009C-1 RMRB	3.70	03/29/11	02/15/41	147,049.16	154,822.17			(710.00)		146,339.16	148,014.74	(6,097.43)	0.00

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Ending		Change In Market Value	Recognized Gain		
		Rate	Date	Date	05/31/13	05/31/13	Maturities	Transfers	Carrying Value 08/31/13	Market Value 08/31/13				
GNMA	2009C-1 RMRB	4.45	04/14/11	03/15/41	1,406,123.33	1,497,985.36		(291,794.06)		1,114,329.27	1,161,521.11	(44,670.19)	0.00	
GNMA	2009C-1 RMRB	5.00	04/14/11	04/15/41	2,993,723.49	3,276,540.54		(152,587.89)		2,841,135.60	3,094,820.59	(29,132.06)	0.00	
GNMA	2009C-1 RMRB	5.10	04/14/11	04/15/41	2,476,018.44	2,706,362.41		(283,172.61)		2,192,845.83	2,386,101.32	(37,088.48)	0.00	
GNMA	2009C-1 RMRB	4.80	04/14/11	03/15/41	292,081.54	308,511.12		(105,844.27)		186,237.27	197,998.15	(4,668.70)	0.00	
GNMA	2009C-1 RMRB	5.00	04/28/11	04/15/41	1,542,623.34	1,697,024.46		(137,370.19)		1,405,253.15	1,533,749.45	(25,904.82)	0.00	
GNMA	2009C-1 RMRB	5.00	04/28/11	03/20/41	184,173.38	197,542.52		(705.52)		183,467.86	196,490.40	(346.60)	0.00	
GNMA	2009C-1 RMRB	4.85	04/28/11	01/15/41	97,877.42	103,383.02		(412.29)		97,465.13	103,761.37	790.64	0.00	
GNMA	2009C-1 RMRB	4.45	04/28/11	03/15/41	487,589.87	519,444.11		(2,061.84)		485,528.03	509,707.31	(7,674.96)	0.00	
GNMA	2009C-1 RMRB	5.10	04/28/11	04/15/41	4,490,920.38	4,915,177.61		(352,988.10)		4,137,932.28	4,506,953.07	(55,236.44)	0.00	
GNMA	2009C-1 RMRB	4.80	04/28/11	01/15/41	134,486.84	142,051.72		(539.64)		133,947.20	142,568.04	1,055.96	0.00	
GNMA	2009C-1 RMRB	4.45	04/28/11	04/15/41	1,035,839.44	1,103,510.83		(128,737.78)		907,101.66	946,469.87	(28,303.18)	0.00	
GNMA	2009C-1 RMRB	5.00	05/17/11	09/15/40	121,564.67	130,133.76		(490.94)		121,073.73	130,528.37	885.55	0.00	
GNMA	2009C-1 RMRB	4.80	05/17/11	01/15/41	201,104.41	212,416.53		(831.68)		200,272.73	213,222.36	1,637.51	0.00	
GNMA	2009C-1 RMRB	3.70	05/17/11	02/15/41	414,049.32	435,935.96		(2,000.99)		412,048.33	416,766.28	(17,168.69)	0.00	
GNMA	2009C-1 RMRB	4.45	05/17/11	02/15/41	705,827.72	751,939.44		(3,000.95)		702,826.77	737,792.39	(11,146.10)	0.00	
GNMA	2009C-1 RMRB	5.00	05/17/11	05/15/41	2,302,558.11	2,498,183.42		(396,111.42)		1,906,446.69	2,053,757.79	(48,314.21)	0.00	
GNMA	2009C-1 RMRB	4.25	05/17/11	02/15/41	176,274.85	184,935.23		(946.91)		175,327.94	182,753.07	(1,235.25)	0.00	
GNMA	2009C-1 RMRB	4.85	05/17/11	05/15/41	3,169,818.07	3,418,268.39		(296,841.88)		2,872,976.19	3,079,428.25	(41,998.26)	0.00	
GNMA	2009C-1 RMRB	4.35	05/17/11	04/15/41	673,856.46	716,848.48		(3,284.59)		670,571.87	701,478.52	(12,085.37)	0.00	
GNMA	2009C-1 RMRB	5.10	05/17/11	05/15/41	2,167,089.05	2,371,813.91		(162,910.38)		2,004,178.67	2,183,191.88	(25,711.65)	0.00	
GNMA	2009C-1 RMRB	4.45	06/14/11	02/15/41	196,734.43	206,203.25		(865.00)		195,869.43	204,164.49	(1,173.76)	0.00	
GNMA	2009C-1 RMRB	5.00	06/14/11	05/15/41	1,548,035.13	1,694,277.99		(5,961.91)		1,542,073.22	1,679,949.96	(8,366.12)	0.00	
GNMA	2009C-1 RMRB	4.85	06/14/11	05/15/41	4,868,262.20	5,249,836.59		(274,123.38)		4,594,138.82	4,924,641.16	(51,072.05)	0.00	
GNMA	2009C-1 RMRB	4.35	06/14/11	05/15/41	80,271.29	84,134.74		(339.59)		79,931.70	83,316.80	(478.35)	0.00	
GNMA	2009C-1 RMRB	4.45	06/14/11	05/15/41	136,064.41	142,613.18		(580.55)		135,483.86	141,224.30	(808.33)	0.00	
GNMA	2009C-1 RMRB	5.10	06/14/11	04/20/41	178,447.62	190,476.77		(668.01)		177,779.61	189,520.17	(288.59)	0.00	
GNMA	2009C-1 RMRB	5.10	06/14/11	05/15/41	3,214,974.44	3,518,693.03		(243,099.26)		2,971,875.18	3,236,639.49	(38,954.28)	0.00	
GNMA	2009C-1 RMRB	5.00	06/28/11	05/15/41	482,990.27	528,618.36		(1,961.64)		481,028.63	524,013.34	(2,643.38)	0.00	
GNMA	2009C-1 RMRB	4.85	06/21/11	05/15/41	1,899,407.79	2,048,283.37		(244,117.09)		1,655,290.70	1,765,168.91	(38,997.37)	0.00	
GNMA	2009C-1 RMRB	4.70	06/21/11	05/15/41	531,188.84	572,823.39		(2,155.61)		529,033.23	567,165.92	(3,501.86)	0.00	
GNMA	2009C-1 RMRB	5.10	06/28/11	06/15/41	1,805,780.99	1,976,373.12		(135,467.55)		1,670,313.44	1,819,589.35	(21,316.22)	0.00	
GNMA	2009C-1 RMRB	4.85	06/28/11	06/15/41	2,706,519.40	2,918,656.39		(217,833.96)		2,488,685.44	2,668,119.67	(32,702.76)	0.00	
GNMA	2009C-1 RMRB	4.45	11/30/11	11/15/41	1,108,246.65	1,179,152.25		(127,475.69)		980,770.96	1,023,306.98	(28,369.58)	0.00	
GNMA	2009C-1 RMRB	4.45	11/14/11	10/15/41	3,134,914.55	3,335,486.35		(257,850.62)		2,877,063.93	3,002,158.63	(75,477.10)	0.00	
GNMA	2009C-1 RMRB	4.45	11/30/11	10/15/41	2,765,297.87	2,942,221.63		(162,177.81)		2,603,120.06	2,715,652.93	(64,390.89)	0.00	
GNMA	2009C-1 RMRB	4.60	11/14/11	09/15/41	362,084.05	387,520.45		(1,438.09)		360,645.96	384,282.69	(1,799.67)	0.00	
GNMA	2009C-1 RMRB	4.45	11/28/11	10/15/41	2,125,505.26	2,261,495.06		(401,520.63)		1,723,984.63	1,796,995.35	(62,979.08)	0.00	
GNMA	2009C-1 RMRB	4.45	11/28/11	10/15/41	260,616.05	276,990.55		(1,172.75)		259,443.30	270,570.81	(5,246.99)	0.00	
GNMA	2009C-1 RMRB	3.85	11/28/11	10/15/41	65,481.90	68,943.27		(322.51)		65,159.39	65,900.90	(2,719.86)	0.00	
GNMA	2009C-1 RMRB	4.45	11/28/11	10/15/41	673,580.03	716,675.67		(99,226.09)		574,353.94	599,280.89	(18,168.69)	0.00	
FNMA	2009C-1 RMRB	4.85	01/11/11	10/01/40	85,194.78	91,053.62		(344.64)		84,850.14	89,617.86	(1,091.12)	0.00	
FNMA	2009C-1 RMRB	4.35	06/14/11	02/01/41	98,544.72	104,469.22		(1,591.02)		96,953.70	100,744.58	(2,133.62)	0.00	
Repo Agmt	2009C-1 RMRB	0.02	08/30/13	09/03/13	74,623.76	74,623.76	162,026.23			236,649.99	236,649.99	-	0.00	
	<b>2009C-1 RMRB Total</b>				<u>135,481,108.98</u>	<u>146,066,840.91</u>	<u>7,262,759.81</u>	<u>(213,224.00)</u>	<u>(11,212,549.71)</u>	<u>0.00</u>	<u>131,318,095.08</u>	<u>139,773,187.01</u>	<u>(2,130,640.00)</u>	<u>0.00</u>
Repo Agmt	1999 B-D RMRB	0.02	08/30/13	09/03/13	48,058.27	48,058.27	192.30			48,250.57	48,250.57	-	0.00	
	<b>1999 B-D RMRB Total</b>				<u>48,058.27</u>	<u>48,058.27</u>	<u>192.30</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>48,250.57</u>	<u>48,250.57</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1999 A RMRB	0.02	08/30/13	09/03/13	16,199.23	16,199.23	0.00			16,199.23	16,199.23	-	0.00	
	<b>1999 A RMRB Total</b>				<u>16,199.23</u>	<u>16,199.23</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,199.23</u>	<u>16,199.23</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	2009 C-2 2011B RMRB	0.02	08/30/13	09/03/13	4,189,974.39	4,189,974.39	3,222,040.96			7,412,015.35	7,412,015.35	-	0.00	
GNMA	2009 C-2 2011B RMRB	4.10	12/22/11	12/15/41	7,587,698.19	8,068,227.09		(399,387.19)		7,188,311.00	7,495,826.88	(173,013.02)	0.00	
GNMA	2009 C-2 2011B RMRB	4.45	08/11/11	07/15/41	1,973,448.27	2,099,709.46		(8,469.50)		1,964,978.77	2,050,396.36	(40,843.60)	0.00	
GNMA	2009 C-2 2011B RMRB	4.45	08/30/11	08/15/41	2,964,583.17	3,158,259.36		(314,353.88)		2,650,229.29	2,771,000.20	(72,905.28)	0.00	
GNMA	2009 C-2 2011B RMRB	4.45	08/30/11	08/15/41	2,033,341.42	2,166,179.60		(377,660.26)		1,655,681.16	1,725,799.23	(62,720.11)	0.00	
GNMA	2009 C-2 2011B RMRB	4.45	09/22/11	09/15/41	2,343,174.79	2,496,254.39		(268,697.75)		2,074,477.04	2,169,218.38	(58,338.26)	0.00	

**Texas Department of Housing and Community Affairs**  
**Residential Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change	Recognized
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/13	Market Value 05/31/13					Carrying Value 08/31/13	Market Value 08/31/13	In Market Value	
GNMA	2009 C-2 2011B RMRB	4.45	09/22/11	09/15/41	2,888,328.36	3,073,123.60			(253,602.78)		2,634,725.58	2,749,441.51	(70,079.31)	0.00
GNMA	2009 C-2 2011B RMRB	3.85	09/22/11	09/15/41	316,097.50	332,806.41			(1,435.57)		314,661.93	318,242.78	(13,128.06)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	10/18/11	09/15/41	2,784,889.84	2,963,067.09			(259,395.84)		2,525,494.00	2,635,327.73	(68,343.52)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	10/18/11	09/15/41	5,642,729.22	6,011,368.69			(262,550.75)		5,380,178.47	5,647,842.32	(100,975.62)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	10/18/11	10/15/41	3,068,018.24	3,264,310.01			(511,998.99)		2,556,019.25	2,664,266.63	(88,044.39)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	12/22/11	11/15/41	419,605.30	447,018.10			(1,736.92)		417,868.38	438,699.11	(6,582.07)	0.00
GNMA	2009 C-2 2011B RMRB	3.50	12/22/11	11/15/41	220,050.45	231,682.31			(1,041.57)		219,008.88	221,564.71	(9,076.03)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	12/22/11	11/15/41	849,000.02	903,319.06			(86,465.89)		762,534.13	795,757.76	(21,095.41)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	02/15/11	01/15/41	3,376,071.80	3,596,630.53			(587,300.27)		2,788,771.53	2,906,875.99	(102,454.27)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	02/24/11	02/15/41	5,176,425.55	5,514,601.38			(659,644.77)		4,516,780.78	4,712,041.19	(142,915.42)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/26/11	01/15/41	2,130,760.60	2,269,963.16			(9,328.59)		2,121,432.01	2,226,612.59	(34,021.98)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	03/16/11	02/15/41	2,843,175.70	3,028,920.33			(110,415.78)		2,732,759.92	2,868,660.01	(49,844.54)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	03/29/11	03/15/41	1,901,490.87	2,025,715.25			(9,018.09)		1,892,472.78	1,986,452.97	(30,244.19)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	09/15/11	09/15/41	4,981,187.87	5,299,884.24			(21,483.27)		4,959,704.60	5,206,697.89	(71,703.08)	0.00
GNMA	2009 C-2 2011B RMRB	2.50	01/17/12	12/15/41	1,071,979.28	1,033,527.38			(5,793.02)		1,066,006.26	976,973.41	(6,580.95)	0.00
GNMA	2009 C-2 2011B RMRB	4.10	12/07/11	11/15/41	4,153,207.98	4,416,230.62			(448,399.09)		3,704,808.89	3,862,522.55	(105,308.98)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	12/07/11	11/15/41	1,033,053.41	1,099,148.16			(5,081.71)		1,027,971.70	1,072,801.55	(21,264.90)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	12/07/11	11/15/41	701,800.73	746,701.92			(2,850.60)		698,950.13	729,431.33	(14,419.99)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	12/07/11	10/15/41	292,262.99	310,625.87			(1,270.42)		290,992.57	303,473.24	(5,882.21)	0.00
GNMA	2009 C-2 2011B RMRB	3.85	12/07/11	10/15/41	67,592.30	71,165.22			(303.04)		67,289.26	68,055.01	(2,807.17)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/17/12	09/15/41	78,203.97	83,117.52			(318.22)		77,885.75	81,226.26	(1,573.04)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/17/12	12/15/41	460,953.41	490,445.20			(1,984.37)		458,969.04	478,998.44	(9,462.39)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/17/12	12/15/41	557,536.43	593,207.60			(2,342.34)		555,194.09	579,428.31	(11,436.95)	0.00
GNMA	2009 C-2 2011B RMRB	4.60	01/17/12	09/15/41	63,512.63	67,974.39			(504.90)		63,007.73	67,137.25	(332.24)	0.00
GNMA	2009 C-2 2011B RMRB	4.10	01/17/12	01/15/42	10,560,181.12	11,228,957.31			(376,075.93)		10,184,105.19	10,619,679.32	(233,202.06)	0.00
GNMA	2009 C-2 2011B RMRB	3.50	01/17/12	11/15/41	123,176.27	129,687.36			(582.72)		122,593.55	124,024.21	(5,080.43)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	10/27/11	10/15/41	4,372,109.65	4,651,837.23			(616,704.77)		3,755,404.88	3,918,239.21	(116,893.25)	0.00
GNMA	2009 C-2 2011B RMRB	3.85	10/27/11	09/15/41	52,468.33	55,241.80			(266.52)		52,201.81	52,795.86	(2,179.42)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	10/27/11	10/15/41	3,083,192.68	3,280,455.36			(520,629.26)		2,562,563.42	2,671,087.98	(88,738.12)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	02/10/12	02/15/42	1,494,330.39	1,527,235.53			(134,445.22)		1,359,885.17	1,323,100.26	(69,690.05)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/26/12	12/15/41	166,769.43	177,247.55			(670.36)		166,099.07	173,223.05	(3,354.14)	0.00
GNMA	2009 C-2 2011B RMRB	4.10	01/26/12	01/15/42	4,397,852.12	4,676,368.08			(165,800.59)		4,232,051.53	4,412,929.38	(97,638.11)	0.00
GNMA	2009 C-2 2011B RMRB	2.50	01/26/12	01/15/42	510,380.91	492,073.54			(3,334.26)		507,046.65	464,708.25	(24,031.03)	0.00
GNMA	2009 C-2 2011B RMRB	4.45	01/26/12	11/15/41	133,895.97	142,308.65			(549.00)		133,346.97	139,066.22	(2,693.43)	0.00
GNMA	2009 C-2 2011B RMRB	4.10	02/14/12	01/15/42	1,307,963.89	1,390,797.20			(114,887.42)		1,193,076.47	1,243,973.07	(31,936.71)	0.00
GNMA	2009 C-2 2011B RMRB	4.10	02/23/12	01/15/42	931,435.27	990,423.03			(3,989.42)		927,445.85	967,223.97	(19,209.64)	0.00
GNMA	2009 C-2 2011B RMRB	2.50	02/23/12	01/15/42	657,497.63	634,215.63			(3,693.48)		653,804.15	599,446.86	(31,075.29)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	05/15/12	05/15/42	4,493,814.10	4,738,637.06			(20,424.47)		4,473,389.63	4,531,990.98	(186,221.61)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	05/25/12	05/15/42	126,979.60	129,489.98			(588.39)		126,391.21	122,709.43	(6,192.16)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	05/25/12	05/15/42	823,559.81	841,694.61			(3,840.64)		819,719.17	797,537.59	(40,316.38)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	05/25/12	05/15/42	2,723,937.48	2,783,918.57			(197,972.02)		2,525,965.46	2,457,638.10	(128,308.45)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	05/25/12	05/15/42	1,667,667.29	1,758,521.79			(7,536.40)		1,660,130.89	1,681,280.95	(69,704.44)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	05/25/12	05/15/42	1,752,108.95	1,847,563.84			(8,411.36)		1,743,697.59	1,765,999.46	(73,153.02)	0.00
GNMA	2009 C-2 2011B RMRB	2.85	06/15/12	05/15/42	80,199.46	81,058.39			(411.12)		79,788.34	76,696.54	(3,950.73)	0.00
GNMA	2009 C-2 2011B RMRB	3.10	06/15/12	05/15/42	102,363.73	104,387.46			(506.02)		101,857.71	98,843.74	(5,037.70)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	06/15/12	03/15/42	271,153.28	276,513.97			(1,339.99)		269,813.29	261,953.62	(13,220.36)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	06/15/12	05/15/42	264,711.77	269,945.12			(1,232.58)		263,479.19	255,804.03	(12,908.51)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	06/15/12	06/15/42	4,654,468.60	4,756,959.97			(22,118.48)		4,632,350.12	4,626,580.93	(108,260.56)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	06/15/12	06/15/42	3,666,962.54	3,866,738.64			(141,701.64)		3,525,260.90	3,570,278.47	(154,758.53)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	06/15/12	06/15/42	5,833,204.98	6,150,997.93			(26,704.96)		5,806,500.02	5,880,707.05	(243,585.92)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	06/29/12	03/15/42	64,880.96	66,163.65			(303.80)		64,577.16	62,696.02	(3,163.83)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	06/29/12	05/15/42	755,217.63	771,847.51			(3,589.87)		751,627.76	731,296.21	(36,961.43)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	06/29/12	06/15/42	2,159,360.19	2,277,002.11			(10,687.55)		2,148,672.64	2,176,154.13	(90,160.43)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	06/29/12	06/15/42	2,522,472.61	2,659,896.90			(161,586.66)		2,360,885.95	2,391,081.67	(107,228.57)	0.00
GNMA	2009 C-2 2011B RMRB	2.85	07/16/12	04/15/42	175,194.29	177,070.62			(914.48)		174,279.81	167,526.46	(8,629.68)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	07/16/12	05/15/42	299,906.72	305,835.87			(1,444.75)		298,461.97	289,767.77	(14,623.35)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	07/16/12	06/15/42	1,035,823.78	1,058,632.62			(4,833.16)		1,030,990.62	1,003,102.31	(50,697.15)	0.00

**Texas Department of Housing and Community Affairs  
Residential Mortgage Revenue Bonds Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GNMA	2009 C-2 2011B RMRB	3.70	07/16/12	07/15/42	3,129,910.05	3,300,427.54			(14,323.91)		3,115,586.14	3,155,434.46	(130,669.17)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/16/12	07/15/42	4,590,941.42	4,841,055.87			(22,832.27)		4,568,109.15	4,507,045.01	(311,178.59)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/16/12	07/15/42	5,286,271.53	5,574,267.60			(166,424.46)		5,119,847.07	5,185,227.51	(222,615.63)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/16/12	07/15/42	398,710.49	419,786.32			(1,752.73)		396,957.76	401,419.56	(16,614.03)	0.00
GNMA	2009 C-2 2011B RMRB	3.45	07/27/12	04/15/42	64,998.51	66,283.53			(302.64)		64,695.87	62,811.27	(3,169.62)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/27/12	04/15/42	129,708.63	136,565.02			(744.19)		128,964.44	130,413.99	(5,406.84)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/27/12	07/15/42	1,668,670.67	1,759,579.82			(7,878.64)		1,660,792.03	1,682,000.31	(69,700.87)	0.00
GNMA	2009 C-2 2011B RMRB	3.70	07/27/12	07/15/42	2,622,461.74	2,765,333.44			(12,826.76)		2,609,634.98	2,642,959.99	(109,546.69)	0.00
Repo Agmt	2009 C-2 2011B RMRB	0.02	08/30/13	09/03/13	63,127.16	63,127.16	175,377.82				238,504.98	238,504.98	-	0.00
<b>2009 C-2 2011B RMRB Total</b>					<b>145,390,196.31</b>	<b>153,279,309.51</b>	<b>3,397,418.78</b>	<b>0.00</b>	<b>(7,397,878.26)</b>	<b>0.00</b>	<b>141,389,736.83</b>	<b>144,887,747.12</b>	<b>(4,391,102.91)</b>	<b>0.00</b>
GNMA	2009 C-3 RMRB	2.85	03/16/12	03/15/42	1,163,354.60	1,121,625.08			(6,073.94)		1,157,280.66	1,060,323.70	(55,227.44)	0.00
GNMA	2009 C-3 RMRB	2.85	03/28/12	02/15/42	49,918.47	50,453.09			(259.69)		49,658.78	47,734.50	(2,458.90)	0.00
GNMA	2009 C-3 RMRB	2.85	03/28/12	03/15/42	130,451.67	131,848.80			(674.76)		129,776.91	124,748.05	(6,425.99)	0.00
GNMA	2009 C-3 RMRB	2.85	03/28/12	03/15/42	172,917.49	174,769.43			(894.41)		172,023.08	165,357.18	(8,517.84)	0.00
GNMA	2009 C-3 RMRB	2.85	04/12/12	03/15/42	99,028.45	100,089.04			(512.23)		98,516.22	94,698.71	(4,878.10)	0.00
Repo Agmt	2009 C-3 RMRB	0.02	08/30/13	09/03/13	120,916.20	120,916.20		(108,053.63)			12,862.57	12,862.57	-	0.00
GNMA	2009 C-3 RMRB	2.85	04/27/12	04/15/42	147,809.29	149,392.32			(814.19)		146,995.10	141,299.03	(7,279.10)	0.00
GNMA	2009 C-3 RMRB	3.45	04/27/12	04/15/42	592,278.91	605,320.88			(3,160.48)		589,118.43	573,182.77	(28,977.63)	0.00
GNMA	2009 C-3 RMRB	2.85	05/15/12	04/15/42	248,696.46	251,359.99			(1,281.25)		247,415.21	237,827.86	(12,250.88)	0.00
GNMA	2009 C-3 RMRB	3.45	05/15/12	04/15/42	361,997.74	369,154.43			(1,740.81)		360,256.93	349,762.64	(17,650.98)	0.00
GNMA	2009 C-3 RMRB	3.70	05/15/12	05/15/42	179,103.15	188,570.54			(808.55)		178,294.60	180,298.62	(7,463.37)	0.00
<b>2009 C-3 RMRB Total</b>					<b>3,266,472.43</b>	<b>3,263,499.80</b>	<b>0.00</b>	<b>(108,053.63)</b>	<b>(16,220.31)</b>	<b>0.00</b>	<b>3,142,198.49</b>	<b>2,988,095.63</b>	<b>(151,130.23)</b>	<b>0.00</b>
<b>Total Residential Mortgage Revenue Bonds Investment Summary</b>					<b>357,095,317.53</b>	<b>381,202,143.19</b>	<b>14,025,953.99</b>	<b>(1,733,469.13)</b>	<b>(20,819,367.68)</b>	<b>0.00</b>	<b>348,568,434.71</b>	<b>365,310,531.70</b>	<b>(7,364,728.67)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs**  
**Collateralized Home Mortgage Revenue Bonds Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	443,459.08	443,459.08		(269,647.69)			173,811.39	173,811.39	-	0.00
Repo Agmt	1992 A-C CHMRB	0.02	08/30/13	09/03/13	0.04	0.04	22,218.59				22,218.63	22,218.63	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	22,306.36	25,076.09			(406.23)		21,900.13	24,371.55	(298.31)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	38,426.59	43,194.65			(835.69)		37,590.90	41,829.75	(529.21)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	51,312.77	57,696.32			(2,414.78)		48,897.99	54,361.98	(919.56)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	545,170.19	612,521.54			(12,737.15)		532,433.04	590,791.92	(8,992.47)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	220,237.22	247,447.93			(5,778.16)		214,459.06	237,967.57	(3,702.20)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	72,770.52	81,761.50			(1,812.49)		70,958.03	78,736.34	(1,212.67)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	304,423.42	342,042.05			(6,434.02)		297,989.40	330,660.97	(4,947.06)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	411,018.83	464,079.62			(6,883.03)		404,135.80	449,988.41	(7,208.18)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	75,443.62	86,631.69			(1,482.14)		73,961.48	84,082.09	(1,067.46)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	98,203.98	113,490.13			(1,864.88)		96,339.10	110,054.43	(1,570.82)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	57,821.53	66,825.22			(2,466.29)		55,355.24	63,239.12	(1,119.81)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	230,695.14	266,631.31			(4,818.82)		225,876.32	258,059.72	(3,752.77)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	58,311.06	67,395.60			(1,133.01)		57,178.05	65,326.09	(936.50)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	2,522.16	2,915.17			(692.79)		1,829.37	2,090.12	(132.26)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	130,186.19	150,478.03			(4,695.91)		125,490.28	143,382.31	(2,399.81)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	29,796.81	34,437.21			(524.01)		29,272.80	33,442.51	(470.69)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	230,850.97	269,727.97			(7,109.40)		223,741.57	257,686.26	(4,932.31)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	169,647.35	198,220.09			(32,571.50)		137,075.85	157,874.44	(7,774.15)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	147,238.31	172,039.39			(2,744.51)		144,493.80	166,420.40	(2,874.48)	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
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	68,541.63	77,046.41			(1,197.30)		67,344.33	74,938.25	(910.86)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	301,158.66	348,041.09			(6,752.48)		294,406.18	336,324.49	(4,964.12)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	808,108.79	944,139.80			(22,112.74)		785,996.05	905,184.59	(16,842.47)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	751,197.66	877,661.88			(72,906.16)		678,291.50	781,159.49	(23,596.23)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	735,448.13	859,273.09			(14,153.55)		721,294.58	830,695.96	(14,423.58)	0.00
Repo Agmt	1992 A-C CHMRB	0.02	08/30/13	09/03/13	13,092.85	13,092.85	0.52				13,093.37	13,093.37	-	0.00
<b>1992 A-C CHMRB Total</b>					<b>6,117,389.86</b>	<b>6,965,325.75</b>	<b>22,219.11</b>	<b>(269,647.69)</b>	<b>(214,527.04)</b>	<b>0.00</b>	<b>5,655,434.24</b>	<b>6,387,792.15</b>	<b>(115,577.98)</b>	<b>0.00</b>
<b>Total Collateralized Home Mortgage Revenue Bonds Investment Summary</b>					<b>6,117,389.86</b>	<b>6,965,325.75</b>	<b>22,219.11</b>	<b>(269,647.69)</b>	<b>(214,527.04)</b>	<b>0.00</b>	<b>5,655,434.24</b>	<b>6,387,792.15</b>	<b>(115,577.98)</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs  
Multifamily Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.00	08/01/13	09/01/13	44,824.96	44,824.96	0.00				44,824.96	44,824.96	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.00	08/01/13	09/01/13	64,984.16	64,984.16		(15,251.55)			49,732.61	49,732.61	-	0.00
	<b>1996 A&amp;B MF (Brighton/LasColi) Total</b>				109,809.12	109,809.12	0.00	(15,251.55)	0.00	0.00	94,557.57	94,557.57	0.00	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	119,094.72	119,094.72	177,384.81				296,479.53	296,479.53	-	0.00
Mutual Fund	1998 M/F (Pebble Brook)	0.00	08/01/13	09/01/13	42,831.00	42,831.00		(23,082.00)			19,749.00	19,749.00	-	0.00
GIC's	1998 M/F (Pebble Brook)	5.20	01/03/11	12/01/30	27,104.21	27,104.21	0.00				27,104.21	27,104.21	-	0.00
	<b>1998 M/F (Pebble Brook) Total</b>				189,029.93	189,029.93	177,384.81	(23,082.00)	0.00	0.00	343,332.74	343,332.74	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	81,383.00	81,383.00	1,931.07				83,314.07	83,314.07	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	195,423.60	195,423.60	15,900.00				211,323.60	211,323.60	-	0.00
Money Market	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	782.13	782.13	2,346.24				3,128.37	3,128.37	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	30,166.67	30,166.67	90,500.01				120,666.68	120,666.68	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	31,310.28	31,310.28	93,930.84				125,241.12	125,241.12	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	08/01/13	09/01/13	31,004.44	31,004.44		(27,604.44)			3,400.00	3,400.00	-	0.00
	<b>1998 M/F (Residence Oaks Proj) Total</b>				370,070.12	370,070.12	204,608.16	(27,604.44)	0.00	0.00	547,073.84	547,073.84	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	26,825.04	26,825.04	18,010.83				44,835.87	44,835.87	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	98,719.04	98,719.04	11,120.92				109,839.96	109,839.96	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	0.10	0.10	0.01				0.11	0.11	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	84,999.99	84,999.99	85,000.01				170,000.00	170,000.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	139,918.45	139,918.45	139,239.99				279,158.44	279,158.44	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail)	0.00	08/01/13	09/01/13	24,875.14	24,875.14		(582.01)			24,293.13	24,293.13	-	0.00
	<b>1998 M/F (Greens-Hickory Trail Total)</b>				375,337.76	375,337.76	253,371.76	(582.01)	0.00	0.00	628,127.51	628,127.51	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apartments)	0.00	08/01/13	09/01/13	86,556.94	86,556.94	15,762.00				102,318.94	102,318.94	-	0.00
Mutual Fund	1999 M/F (Mayfield Apartments)	0.00	08/01/13	09/01/13	4,229.51	4,229.51	4,594.65				8,824.16	8,824.16	-	0.00
Mutual Fund	1999 M/F (Mayfield Apartments)	0.00	08/01/13	09/01/13	167,888.71	167,888.71	5,906.54				173,795.25	173,795.25	-	0.00
Mutual Fund	1999 M/F (Mayfield Apartments)	0.00	08/01/13	09/01/13	24,166.67	24,166.67	72,500.01				96,666.68	96,666.68	-	0.00
Mutual Fund	1999 M/F (Mayfield Apartments)	0.00	08/01/13	09/01/13	42,517.83	42,517.83	127,551.99				170,069.82	170,069.82	-	0.00
	<b>1999 M/F (Mayfield Apartments) Total</b>				325,359.66	325,359.66	226,315.19	0.00	0.00	0.00	551,674.85	551,674.85	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	08/01/13	09/01/13	7,962.24	7,962.24	4,764.25				12,726.49	12,726.49	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	08/01/13	09/01/13	28,142.88	28,142.88		(14,113.00)			14,029.88	14,029.88	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	08/01/13	09/01/13	39,021.40	39,021.40	42,579.00				81,600.40	81,600.40	-	0.00
	<b>2000 M/F (Timber Point Apts) Total</b>				75,126.52	75,126.52	47,343.25	(14,113.00)	0.00	0.00	108,356.77	108,356.77	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.00	08/01/13	09/01/13	65,013.57	65,013.57	75,017.86				140,031.43	140,031.43	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.00	08/01/13	09/01/13	226,662.98	226,662.98		(1,678.45)			224,984.53	224,984.53	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.00	08/01/13	09/01/13	104,691.99	104,691.99	7,952.70				112,644.69	112,644.69	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.00	08/01/13	09/01/13	4,973.57	4,973.57	2,578.71				7,552.28	7,552.28	-	0.00
	<b>2000 A&amp;B M/F (Oaks at Hampton) Total</b>				401,342.11	401,342.11	85,549.27	(1,678.45)	0.00	0.00	485,212.93	485,212.93	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	0.00	08/01/13	09/01/13	40,992.18	40,992.18	6,000.00				46,992.18	46,992.18	-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	275,757.81	275,757.81		(114,755.54)			161,002.27	161,002.27	-	0.00
	<b>2000 M/F (Deerwood Apts) Total</b>				316,749.99	316,749.99	6,000.00	(114,755.54)	0.00	0.00	207,994.45	207,994.45	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	08/01/13	09/01/13			3,596.55				3,596.55	3,596.55	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	08/01/13	09/01/13	26,644.84	26,644.84					26,858.84	26,858.84	-	0.00
Money Market	2000 M/F (Creek Point Apts)	0.00	08/01/13	09/01/13	68,073.73	68,073.73	37,120.00				105,193.73	105,193.73	-	0.00
	<b>2000 M/F (Creek Point Apts) Total</b>				94,718.57	94,718.57	40,930.55	0.00	0.00	0.00	135,649.12	135,649.12	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.00	08/01/13	09/01/13	30,527.54	30,527.54		(14,247.38)			16,280.16	16,280.16	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.00	08/01/13	09/01/13	300,930.20	300,930.20	15,186.51				316,116.71	316,116.71	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.00	08/01/13	09/01/13	91,793.49	91,793.49	7,667.24				99,460.73	99,460.73	-	0.00
Money Market	2000 M/F (Parks @ Westmoreld)	0.00	08/01/13	09/01/13	30,280.11	30,280.11	0.00				30,280.11	30,280.11	-	0.00

**Texas Department of Housing and Community Affairs**  
**Multifamily Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.00	08/01/13	09/01/13	67,240.43	67,240.43	77,802.86				145,043.29	145,043.29	-	0.00
	<b>2000 M/F (Parks @ Westmoreld) Total</b>				520,771.77	520,771.77	100,656.61	(14,247.38)	0.00	0.00	607,181.00	607,181.00	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	08/01/13	09/01/13	117,075.00	117,075.00	18,598.00				135,673.00	135,673.00	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	08/01/13	09/01/13	24,355.86	24,355.86	6,942.00				31,297.86	31,297.86	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	08/01/13	09/01/13	181,929.79	181,929.79	15,000.00				196,929.79	196,929.79	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	08/01/13	09/01/13	15,000.00	15,000.00	45,000.00				60,000.00	60,000.00	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	08/01/13	09/01/13	43,296.00	43,296.00	129,888.00				173,184.00	173,184.00	-	0.00
	<b>2000 A-C MF Highland Meadows Total</b>				381,656.65	381,656.65	215,428.00	0.00	0.00	0.00	597,084.65	597,084.65	0.00	0.00
Money Market	2000 A/B MF Greenbridge	0.00	08/01/13	09/01/13	32,293.96	32,293.96		(19.69)			32,274.27	32,274.27	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.00	08/01/13	09/01/13	0.21	0.21	19.69				19.90	19.90	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.00	08/01/13	09/01/13	11,775.45	11,775.45	0.00				11,775.45	11,775.45	-	0.00
Money Market	2000 A/B MF Greenbridge	0.00	08/01/13	09/01/13	2,283.47	2,283.47	1,125.00				3,408.47	3,408.47	-	0.00
	<b>2000 A/B MF Greenbridge Total</b>				46,353.09	46,353.09	1,144.69	(19.69)	0.00	0.00	47,478.09	47,478.09	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	08/01/13	09/01/13	116,828.00	116,828.00	19,440.00				136,268.00	136,268.00	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	08/01/13	09/01/13	89,862.12	89,862.12		(1,366.95)			88,495.17	88,495.17	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	08/01/13	09/01/13	31,571.67	31,571.67	8,017.20				39,588.87	39,588.87	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	08/01/13	09/01/13	24,000.00	24,000.00	72,000.00				96,000.00	96,000.00	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.00	08/01/13	09/01/13	76,186.60	76,186.60	193,972.80				270,159.40	270,159.40	-	0.00
	<b>2000 A-C MF Collingham Park Total</b>				338,448.39	338,448.39	293,430.00	(1,366.95)	0.00	0.00	630,511.44	630,511.44	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	0.00	08/01/13	09/01/13	3,744.92	3,744.92	10,402.74				14,147.66	14,147.66	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.00	08/01/13	09/01/13	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.00	08/01/13	09/01/13	0.21	0.21	0.01				0.22	0.22	-	0.00
	<b>2000 A/B MF Willams Run Total</b>				3,759.85	3,759.85	10,402.75	0.00	0.00	0.00	14,162.60	14,162.60	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.00	08/01/13	09/01/13	14,292.05	14,292.05	5,204.99				19,497.04	19,497.04	-	0.00
Money Market	2001A MF Bluffview Sr. Apts.	0.00	08/01/13	09/01/13	1,402.29	1,402.29	0.00				1,402.29	1,402.29	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.00	08/01/13	09/01/13	72,489.34	72,489.34	78,721.59				151,210.93	151,210.93	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.00	08/01/13	09/01/13	231,864.47	231,864.47	14,762.40				246,626.87	246,626.87	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.00	08/01/13	09/01/13	106,556.52	106,556.52	7,224.12				113,780.64	113,780.64	-	0.00
	<b>2001A MF Bluffview Sr. Apts. Total</b>				426,604.67	426,604.67	105,913.10	0.00	0.00	0.00	532,517.77	532,517.77	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.00	08/01/13	09/01/13	2,009.62	2,009.62	6,016.00				8,025.62	8,025.62	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.00	08/01/13	09/01/13	90,307.31	90,307.31	83,159.62				173,466.93	173,466.93	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.00	08/01/13	09/01/13	122,782.14	122,782.14	4,752.26				127,534.40	127,534.40	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.00	08/01/13	09/01/13	123,455.25	123,455.25	4,557.06				128,012.31	128,012.31	-	0.00
Money Market	2001A MF Knollwood Villas Apts	0.00	08/01/13	09/01/13	0.34	0.34	0.00				0.34	0.34	-	0.00
	<b>2001A MF Knollwood Villas Apts Total</b>				338,554.66	338,554.66	98,484.94	0.00	0.00	0.00	437,039.60	437,039.60	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	54,008.38	54,008.38		(12,332.61)			41,675.77	41,675.77	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	174,553.18	174,553.18	14,499.99				189,053.17	189,053.17	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	387.80	387.80	0.04				387.84	387.84	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	74,953.51	74,953.51	53,910.00				128,863.51	128,863.51	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	36,529.04	36,529.04	27,764.01				64,293.05	64,293.05	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	63,333.38	63,333.38		(27,500.01)			35,833.37	35,833.37	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.00	08/01/13	09/01/13	214,069.73	214,069.73		(76,158.75)			137,910.98	137,910.98	-	0.00
	<b>2001A MF Skyway Villas Total</b>				617,835.02	617,835.02	96,174.04	(115,991.37)	0.00	0.00	598,017.69	598,017.69	0.00	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	49,779.92	49,779.92		(10,824.76)			38,955.16	38,955.16	-	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	252,507.93	252,507.93	17,499.99				270,007.92	270,007.92	-	0.00
Money Market	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	485,042.85	485,042.85	38,057.00				523,099.85	523,099.85	-	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	40,267.66	40,267.66	0.00				40,267.66	40,267.66	-	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	1,955.00	1,955.00	0.00				1,955.00	1,955.00	-	0.00

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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	7,000.00	7,000.00	0.00				7,000.00	7,000.00	-	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	39,000.00	39,000.00		(105.00)			38,895.00	38,895.00	-	0.00
Mutual Fund	2001AB MF Meridian Apartments	0.00	08/01/13	09/01/13	52,267.08	52,267.08	0.00				52,267.08	52,267.08	-	0.00
	<b>2001AB MF Meridian Apartments Total</b>				<b>927,820.44</b>	<b>927,820.44</b>	<b>55,556.99</b>	<b>(10,929.76)</b>	<b>0.00</b>	<b>0.00</b>	<b>972,447.67</b>	<b>972,447.67</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	27,273.76	27,273.76		(12,631.00)			14,642.76	14,642.76	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	198,979.22	198,979.22		(26,462.14)			172,517.08	172,517.08	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	6,191.03	6,191.03	0.00				6,191.03	6,191.03	-	0.00
Money Market	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	227,162.51	227,162.51	17,499.99				244,662.50	244,662.50	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	6,000.00	6,000.00	0.00				6,000.00	6,000.00	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	08/01/13	09/01/13	31,655.00	31,655.00		(90.00)			31,565.00	31,565.00	-	0.00
	<b>2001AB MF Wildwood Branch Total</b>				<b>497,261.52</b>	<b>497,261.52</b>	<b>17,499.99</b>	<b>(39,183.14)</b>	<b>0.00</b>	<b>0.00</b>	<b>475,578.37</b>	<b>475,578.37</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	89,468.93	89,468.93	62,642.22				152,111.15	152,111.15	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	28,814.39	28,814.39	4,883.97				33,698.36	33,698.36	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	26,781.42	26,781.42	13,820.43				40,601.85	40,601.85	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	0.12	0.12	0.00				0.12	0.12	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	164,138.47	164,138.47		(10,033.29)			154,105.18	154,105.18	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	145,685.65	145,685.65		(69,498.71)			76,186.94	76,186.94	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	08/01/13	09/01/13	393,645.25	393,645.25		(197,946.55)			195,698.70	195,698.70	-	0.00
	<b>2001ABC MF Fallbrook Apts Total</b>				<b>848,534.23</b>	<b>848,534.23</b>	<b>81,346.62</b>	<b>(277,478.55)</b>	<b>0.00</b>	<b>0.00</b>	<b>652,402.30</b>	<b>652,402.30</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001 MF Oak Hollow Apts	0.00	08/01/13	09/01/13	35,062.62	35,062.62	3,607.07				38,669.69	38,669.69	-	0.00
Money Market	2001 MF Oak Hollow Apts	0.00	08/01/13	09/01/13	51,871.58	51,871.58	0.00				51,871.58	51,871.58	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.00	08/01/13	09/01/13	67,758.71	67,758.71	9,033.87				76,792.58	76,792.58	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.00	08/01/13	09/01/13	60,433.31	60,433.31	875.96				61,309.27	61,309.27	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.00	08/01/13	09/01/13	44,818.42	44,818.42	37,614.39				82,432.81	82,432.81	-	0.00
	<b>2001 MF Oak Hollow Apts Total</b>				<b>259,944.64</b>	<b>259,944.64</b>	<b>51,131.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>311,075.93</b>	<b>311,075.93</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2001AB MF Hillside Apts	0.00	08/01/13	09/01/13	14,709.40	14,709.40	4,648.43				19,357.83	19,357.83	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.00	08/01/13	09/01/13	75,727.74	75,727.74	13,866.30				89,594.04	89,594.04	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.00	08/01/13	09/01/13	103,345.64	103,345.64	392.98				103,738.62	103,738.62	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.00	08/01/13	09/01/13	78,498.82	78,498.82	53,329.51				131,828.33	131,828.33	-	0.00
	<b>2001AB MF Hillside Apts Total</b>				<b>272,281.60</b>	<b>272,281.60</b>	<b>72,237.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>344,518.82</b>	<b>344,518.82</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Park Meadows Apts	0.00	08/01/13	09/01/13			118,805.36				118,805.36	118,805.36	-	0.00
Mutual Fund	2002 MF Park Meadows Apts				30.00	30.00		(30.00)					-	0.00
Mutual Fund	2002 MF Park Meadows Apts				205,238.18	205,238.18		(205,238.18)					-	0.00
	<b>2002 MF Park Meadows Apts Total</b>				<b>205,268.18</b>	<b>205,268.18</b>	<b>118,805.36</b>	<b>(205,268.18)</b>	<b>0.00</b>	<b>0.00</b>	<b>118,805.36</b>	<b>118,805.36</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Clarkridge Villas Apts	0.00	08/01/13	09/01/13	28,471.78	28,471.78	6,031.79				34,503.57	34,503.57	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.00	08/01/13	09/01/13	201,594.38	201,594.38		(8,432.24)			193,162.14	193,162.14	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.00	08/01/13	09/01/13	119,783.28	119,783.28	1,144.89				120,928.17	120,928.17	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.00	08/01/13	09/01/13	61,515.52	61,515.52	0.00				61,515.52	61,515.52	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.00	08/01/13	09/01/13	106,336.29	106,336.29	79,622.83				185,959.12	185,959.12	-	0.00
	<b>2002 MF Clarkridge Villas Apts Total</b>				<b>517,701.25</b>	<b>517,701.25</b>	<b>86,799.51</b>	<b>(8,432.24)</b>	<b>0.00</b>	<b>0.00</b>	<b>596,068.52</b>	<b>596,068.52</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Hickory Trace Apts	0.00	08/01/13	09/01/13	13,149.01	13,149.01	5,067.71				18,216.72	18,216.72	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.00	08/01/13	09/01/13	68,483.83	68,483.83		(225.96)			68,257.87	68,257.87	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.00	08/01/13	09/01/13	95,578.83	95,578.83	3,575.42				99,154.25	99,154.25	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.00	08/01/13	09/01/13	11,629.94	11,629.94	0.00				11,629.94	11,629.94	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.00	08/01/13	09/01/13	59,639.39	59,639.39	58,531.24				118,170.63	118,170.63	-	0.00
	<b>2002 MF Hickory Trace Apts Total</b>				<b>248,481.00</b>	<b>248,481.00</b>	<b>67,174.37</b>	<b>(225.96)</b>	<b>0.00</b>	<b>0.00</b>	<b>315,429.41</b>	<b>315,429.41</b>	<b>0.00</b>	<b>0.00</b>
Mutual Fund	2002 MF Green Crest Apts	0.00	08/01/13	09/01/13	145,458.72	145,458.72	66,637.85				212,096.57	212,096.57	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.00	08/01/13	09/01/13	77,361.71	77,361.71		(9,440.13)			67,921.58	67,921.58	-	0.00



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Mutual Fund	2002 MF Green Crest Apts	0.00	08/01/13	09/01/13	0.38	0.38	0.00				0.38	0.38	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.00	08/01/13	09/01/13	12,112.00	12,112.00	6,195.00				18,307.00	18,307.00	-	0.00
	<b>2002 MF Green Crest Apts Total</b>				<u>234,932.81</u>	<u>234,932.81</u>	<u>72,832.85</u>	<u>(9,440.13)</u>	<u>0.00</u>	<u>0.00</u>	<u>298,325.53</u>	<u>298,325.53</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2002AB MF Ironwood Crossings	0.00	08/01/13	09/01/13	159,486.21	159,486.21	88,531.49				248,017.70	248,017.70	-	0.00
Mutual Fund	2002AB MF Ironwood Crossings	0.00	08/01/13	09/01/13	11,878.02	11,878.02	8,814.00				20,692.02	20,692.02	-	0.00
Mutual Fund	2002AB MF Ironwood Crossings	0.00	08/01/13	09/01/13	22,276.27	22,276.27		(5,361.13)			16,915.14	16,915.14	-	0.00
	<b>2002AB MF Ironwood Crossings Total</b>				<u>193,640.50</u>	<u>193,640.50</u>	<u>97,345.49</u>	<u>(5,361.13)</u>	<u>0.00</u>	<u>0.00</u>	<u>285,624.86</u>	<u>285,624.86</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	19,591.18	19,591.18	226.38				19,817.56	19,817.56	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	63,566.59	63,566.59		(37,368.75)			26,197.84	26,197.84	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	11,636.58	11,636.58		(8,936.98)			2,699.60	2,699.60	-	0.00
Money Market	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	08/01/13	09/01/13	92,789.76	92,789.76		(51,185.51)			41,604.25	41,604.25	-	0.00
Mutual Fund	2003 AB MF Reading Road				0.16	0.16		(0.16)					-	0.00
	<b>2003 AB MF Reading Road Total</b>				<u>187,600.19</u>	<u>187,600.19</u>	<u>226.38</u>	<u>(97,491.40)</u>	<u>0.00</u>	<u>0.00</u>	<u>90,335.17</u>	<u>90,335.17</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	132,583.80	132,583.80	71,408.00				203,991.80	203,991.80	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	398.66	398.66	0.00				398.66	398.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	8,635.76	8,635.76		(129.50)			8,506.26	8,506.26	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	281,923.89	281,923.89	15,750.00				297,673.89	297,673.89	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	15,553.29	15,553.29	43,742.76				59,296.05	59,296.05	-	0.00
Money Market	2003 AB MF North Vista Apts	0.00	08/01/13	09/01/13	102,117.24	102,117.24		(47,500.00)			54,617.24	54,617.24	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	233,081.92	233,081.92		(117,563.76)			115,518.16	115,518.16	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.01	08/01/13	09/01/13	25,520.34	25,520.34		(8,819.00)			16,701.34	16,701.34	-	0.00
	<b>2003 AB MF North Vista Apts Total</b>				<u>799,814.90</u>	<u>799,814.90</u>	<u>130,900.76</u>	<u>(174,012.26)</u>	<u>0.00</u>	<u>0.00</u>	<u>756,703.40</u>	<u>756,703.40</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	17,155.84	17,155.84		(2,235.22)			14,920.62	14,920.62	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	194,992.65	194,992.65		(73,171.24)			121,821.41	121,821.41	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	82,682.74	82,682.74	33,806.00				116,488.74	116,488.74	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	33.02	33.02	0.00				33.02	33.02	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	11,049.68	11,049.68	32,654.40				43,704.08	43,704.08	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	85,041.85	85,041.85		(32,500.00)			52,541.85	52,541.85	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.01	08/01/13	09/01/13	196,708.37	196,708.37		(84,793.12)			111,915.25	111,915.25	-	0.00
	<b>2003 AB MF West Virginia Apts Total</b>				<u>587,664.15</u>	<u>587,664.15</u>	<u>66,460.40</u>	<u>(192,699.58)</u>	<u>0.00</u>	<u>0.00</u>	<u>461,424.97</u>	<u>461,424.97</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2003 AB MF Primrose Houston	0.00	08/01/13	09/01/13	97,977.27	97,977.27	3.41				97,980.68	97,980.68	-	0.00
Money Market	2003 AB MF Primrose Houston	0.00	08/01/13	09/01/13	1,969.37	1,969.37	4,611.20				6,580.57	6,580.57	-	0.00
	<b>2003 AB MF Primrose Houston Total</b>				<u>99,946.64</u>	<u>99,946.64</u>	<u>4,614.61</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>104,561.25</u>	<u>104,561.25</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2003 AB MF Timber Oaks Apts	0.00	08/01/13	09/01/13	59,885.10	59,885.10		(43,739.31)			16,145.79	16,145.79	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.00	08/01/13	09/01/13	114,000.01	114,000.01	15,470.07				129,470.08	129,470.08	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.00	08/01/13	09/01/13	30,026.72	30,026.72	0.64				30,027.36	30,027.36	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.00	08/01/13	09/01/13	19,723.17	19,723.17		(13,380.52)			6,342.65	6,342.65	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.00	08/01/13	09/01/13	5,299.18	5,299.18	0.00				5,299.18	5,299.18	-	0.00
	<b>2003 AB MF Timber Oaks Apts Total</b>				<u>228,934.18</u>	<u>228,934.18</u>	<u>15,470.71</u>	<u>(57,119.83)</u>	<u>0.00</u>	<u>0.00</u>	<u>187,285.06</u>	<u>187,285.06</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2003 AB MF Ash Creek	0.00	08/01/13	09/01/13	99,271.25	99,271.25	0.00				99,271.25	99,271.25	-	0.00
Money Market	2003 AB MF Ash Creek	0.00	08/01/13	09/01/13	16,727.15	16,727.15		(1,572.35)			15,154.80	15,154.80	-	0.00
	<b>2003 AB MF Ash Creek Total</b>				<u>115,998.40</u>	<u>115,998.40</u>	<u>0.00</u>	<u>(1,572.35)</u>	<u>0.00</u>	<u>0.00</u>	<u>114,426.05</u>	<u>114,426.05</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2003 AB MF Peninsula	0.00	08/01/13	09/01/13	17,449.07	17,449.07	0.00				17,449.07	17,449.07	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.00	08/01/13	09/01/13	147,660.69	147,660.69	206,560.02				354,220.71	354,220.71	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.00	08/01/13	09/01/13	3,406.73	3,406.73	0.09				3,406.82	3,406.82	-	0.00
	<b>2003 AB MF Peninsula Total</b>				<u>168,516.49</u>	<u>168,516.49</u>	<u>206,560.11</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>375,076.60</u>	<u>375,076.60</u>	<u>0.00</u>	<u>0.00</u>

**Texas Department of Housing and Community Affairs  
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Mutual Fund	2003 AB Arlington Villas	0.00	08/01/13	09/01/13	108,783.42	108,783.42	0.00				108,783.42	108,783.42	-	0.00
Mutual Fund	2003 AB Arlington Villas	0.00	08/01/13	09/01/13	12,930.75	12,930.75	5,814.93				18,745.68	18,745.68	-	0.00
	<b>2003 AB Arlington Villas Total</b>				121,714.17	121,714.17	5,814.93	0.00	0.00	0.00	127,529.10	127,529.10	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.00	08/01/13	09/01/13	10,191.38	10,191.38	7,238.60				17,429.98	17,429.98	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.00	08/01/13	09/01/13	146,781.25	146,781.25	14,117.58				160,898.83	160,898.83	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.00	08/01/13	09/01/13			63,819.00				63,819.00	63,819.00	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.00	08/01/13	09/01/13	150,339.36	150,339.36	83,407.22				233,746.58	233,746.58	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.00	08/01/13	09/01/13	33,188.00	33,188.00	0.00				33,188.00	33,188.00	-	0.00
	<b>2003 AB Parkview Twnhms Total</b>				340,499.99	340,499.99	168,582.40	0.00	0.00	0.00	509,082.39	509,082.39	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.00	08/01/13	09/01/13	404,863.09	404,863.09		(349,173.03)			55,690.06	55,690.06	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.00	08/01/13	09/01/13	36,257.69	36,257.69	9,990.62				46,248.31	46,248.31	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.00	08/01/13	09/01/13	683.70	683.70	0.00				683.70	683.70	-	0.00
	<b>2003 MF NHP-Asmara-Refunding Total</b>				441,804.48	441,804.48	9,990.62	(349,173.03)	0.00	0.00	102,622.07	102,622.07	0.00	0.00
Money Market	2004 A&B Timber Ridge	0.00	08/01/13	09/01/13	5,337.68	5,337.68	3,758.13				9,095.81	9,095.81	-	0.00
Money Market	2004 A&B Timber Ridge	0.00	08/01/13	09/01/13	62,599.56	62,599.56		(221.57)			62,377.99	62,377.99	-	0.00
	<b>2004 A&amp;B Timber Ridge Total</b>				67,937.24	67,937.24	3,758.13	(221.57)	0.00	0.00	71,473.80	71,473.80	0.00	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	50,949.11	50,949.11		(11,973.83)			38,975.28	38,975.28	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	26,125.76	26,125.76	46,425.03				72,550.79	72,550.79	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	1,628.40	1,628.40	0.00				1,628.40	1,628.40	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	1,699.65	1,699.65	0.01				1,699.66	1,699.66	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	109,213.76	109,213.76		(37,499.98)			71,713.78	71,713.78	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	94,103.22	94,103.22		(35,295.00)			58,808.22	58,808.22	-	0.00
Money Market	2004 A&B Century Park	0.00	08/01/13	09/01/13	297,882.36	297,882.36		(121,171.24)			176,711.12	176,711.12	-	0.00
	<b>2004 A&amp;B Century Park Total</b>				581,602.26	581,602.26	46,425.04	(205,940.05)	0.00	0.00	422,087.25	422,087.25	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13	252,120.50	252,120.50	10,948.85				263,069.35	263,069.35	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13	101,495.58	101,495.58	13,837.29				115,332.87	115,332.87	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13			69,486.92				69,486.92	69,486.92	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13	3,885.97	3,885.97	5,077.08				8,963.05	8,963.05	-	0.00
Mutual Fund	2004 A&B MF Veterans Memorial	0.00	08/01/13	09/01/13	77,575.00	77,575.00	0.00				77,575.00	77,575.00	-	0.00
	<b>2004 A&amp;B MF Veterans Memorial Total</b>				435,077.22	435,077.22	99,350.14	0.00	0.00	0.00	534,427.36	534,427.36	0.00	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	153,265.82	153,265.82		(47,808.25)			105,457.57	105,457.57	-	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	73,548.63	73,548.63	3,659.03				77,207.66	77,207.66	-	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	20,288.37	20,288.37	0.51				20,288.88	20,288.88	-	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	11,395.22	11,395.22	4,310.06				15,705.28	15,705.28	-	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	39,963.35	39,963.35	48,507.91				88,471.26	88,471.26	-	0.00
Money Market	2004 MF Rush Creek Apts	0.00	08/01/13	09/01/13	0.11	0.11	0.01				0.12	0.12	-	0.00
	<b>2004 MF Rush Creek Apts Total</b>				298,461.50	298,461.50	56,477.52	(47,808.25)	0.00	0.00	307,130.77	307,130.77	0.00	0.00
Money Market	2004 MF Humble Parkway	0.00	08/01/13	09/01/13	150,427.11	150,427.11	14,853.82				165,280.93	165,280.93	-	0.00
Money Market	2004 MF Humble Parkway	0.00	08/01/13	09/01/13	109,509.00	109,509.00	60,780.56				170,289.56	170,289.56	-	0.00
Money Market	2004 MF Humble Parkway	0.00	08/01/13	09/01/13	362,170.62	362,170.62		(216,463.75)			145,706.87	145,706.87	-	0.00
Money Market	2004 MF Humble Parkway	0.00	08/01/13	09/01/13	5,942.99	5,942.99		(5,893.01)			49.98	49.98	-	0.00
	<b>2004 MF Humble Parkway Total</b>				628,049.72	628,049.72	75,634.38	(222,356.76)	0.00	0.00	481,327.34	481,327.34	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	08/01/13	09/01/13	45,173.45	45,173.45	50,271.37				95,444.82	95,444.82	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	08/01/13	09/01/13	2,283.42	2,283.42	0.00				2,283.42	2,283.42	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.00	08/01/13	09/01/13	13,169.28	13,169.28	6,479.61				19,648.89	19,648.89	-	0.00
	<b>2004 MF Chisholm Trail Apts Total</b>				60,626.15	60,626.15	56,750.98	0.00	0.00	0.00	117,377.13	117,377.13	0.00	0.00

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Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	19,365.91	19,365.91	58,018.08				77,383.99	77,383.99	-	0.00
Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	2,053.33	2,053.33	6,659.99				8,713.32	8,713.32	-	0.00
Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	9,375.96	9,375.96	154.37				9,530.33	9,530.33	-	0.00
Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	77,504.85	77,504.85		(154.37)			77,350.48	77,350.48	-	0.00
Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	846.60	846.60	0.00				846.60	846.60	-	0.00
Money Market	2004 MF Evergreen	0.00	08/01/13	09/01/13	406,946.25	406,946.25	14,925.66				421,871.91	421,871.91	-	0.00
	<b>2004 MF Evergreen Total</b>				<u>516,092.90</u>	<u>516,092.90</u>	<u>79,758.10</u>	<u>(154.37)</u>	<u>0.00</u>	<u>0.00</u>	<u>595,696.63</u>	<u>595,696.63</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Montgomery Pines Apts	0.00	08/01/13	09/01/13	4,601.97	4,601.97	4,283.19				8,885.16	8,885.16	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	08/01/13	09/01/13	31,281.34	31,281.34	53,123.51				84,404.85	84,404.85	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.00	08/01/13	09/01/13	1,087.29	1,087.29	0.00				1,087.29	1,087.29	-	0.00
	<b>2004 MF Montgomery Pines Apts Total</b>				<u>36,970.60</u>	<u>36,970.60</u>	<u>57,406.70</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>94,377.30</u>	<u>94,377.30</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Bristol Apts	0.00	08/01/13	09/01/13	392.77	392.77	0.00				392.77	392.77	-	0.00
Money Market	2004 MF Bristol Apts	0.00	08/01/13	09/01/13	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2004 MF Bristol Apts	0.00	08/01/13	09/01/13	21,098.03	21,098.03		(1,070.66)			20,027.37	20,027.37	-	0.00
Money Market	2004 MF Bristol Apts	0.00	08/01/13	09/01/13	92,504.87	92,504.87		(68,287.72)			24,217.15	24,217.15	-	0.00
	<b>2004 MF Bristol Apts Total</b>				<u>113,995.80</u>	<u>113,995.80</u>	<u>0.00</u>	<u>(69,358.38)</u>	<u>0.00</u>	<u>0.00</u>	<u>44,637.42</u>	<u>44,637.42</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Pinnacle Apts	0.00	08/01/13	09/01/13	9,101.11	9,101.11	4,052.99				13,154.10	13,154.10	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	08/01/13	09/01/13	87,754.07	87,754.07	36,798.33				124,552.40	124,552.40	-	0.00
Money Market	2004 MF Pinnacle Apts	0.00	08/01/13	09/01/13	0.21	0.21	0.00				0.21	0.21	-	0.00
	<b>2004 MF Pinnacle Apts Total</b>				<u>96,855.39</u>	<u>96,855.39</u>	<u>40,851.32</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>137,706.71</u>	<u>137,706.71</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	131,814.19	131,814.19		(23,872.97)			107,941.22	107,941.22	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	74,120.71	74,120.71		(161.62)			73,959.09	73,959.09	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	1,450.97	1,450.97	0.00				1,450.97	1,450.97	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	100,649.56	100,649.56	111,676.68				212,326.24	212,326.24	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	36,428.43	36,428.43		(3,900.75)			32,527.68	32,527.68	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.00	08/01/13	09/01/13	9,892.34	9,892.34	161.62				10,053.96	10,053.96	-	0.00
	<b>2004 MF Tranquility Bay Apts Total</b>				<u>354,356.20</u>	<u>354,356.20</u>	<u>111,838.30</u>	<u>(27,935.34)</u>	<u>0.00</u>	<u>0.00</u>	<u>438,259.16</u>	<u>438,259.16</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Churchill @ Pinnacle	0.00	08/01/13	09/01/13	82,256.08	82,256.08	55,953.81				138,209.89	138,209.89	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	08/01/13	09/01/13	270,969.17	270,969.17	11,940.51				282,909.68	282,909.68	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	08/01/13	09/01/13	7,903.00	7,903.00	130.12				8,033.12	8,033.12	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	08/01/13	09/01/13	52,625.09	52,625.09		(130.12)			52,494.97	52,494.97	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.00	08/01/13	09/01/13	14,031.28	14,031.28		(8,421.50)			5,609.78	5,609.78	-	0.00
	<b>2004 MF Churchill @ Pinnacle Total</b>				<u>427,784.62</u>	<u>427,784.62</u>	<u>68,024.44</u>	<u>(8,551.62)</u>	<u>0.00</u>	<u>0.00</u>	<u>487,257.44</u>	<u>487,257.44</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2004 MF Village Fair	0.00	08/01/13	09/01/13	119,663.78	119,663.78	2,692.69				122,356.47	122,356.47	-	0.00
Money Market	2004 MF Village Fair	0.00	08/01/13	09/01/13	46,242.11	46,242.11	1,998.64				48,240.75	48,240.75	-	0.00
Money Market	2004 MF Village Fair	0.00	08/01/13	09/01/13	106,883.43	106,883.43	0.00				106,883.43	106,883.43	-	0.00
Money Market	2004 MF Village Fair	0.00	08/01/13	09/01/13	4,470.03	4,470.03	5,976.75				10,446.78	10,446.78	-	0.00
	<b>2004 MF Village Fair Total</b>				<u>277,259.35</u>	<u>277,259.35</u>	<u>10,668.08</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>287,927.43</u>	<u>287,927.43</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2005 MF Pecan Grove	0.00	08/01/13	09/01/13	9,510.58	9,510.58	8,805.00				18,315.58	18,315.58	-	0.00
Money Market	2005 MF Pecan Grove	0.00	08/01/13	09/01/13	0.44	0.44	0.00				0.44	0.44	-	0.00
	<b>2005 MF Pecan Grove Total</b>				<u>9,511.02</u>	<u>9,511.02</u>	<u>8,805.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>18,316.02</u>	<u>18,316.02</u>	<u>0.00</u>	<u>0.00</u>
Money Market	2005 MF Prairie Oaks	0.00	08/01/13	09/01/13	27,518.25	27,518.25	5,411.10				32,929.35	32,929.35	-	0.00
Money Market	2005 MF Prairie Oaks	0.00	08/01/13	09/01/13	8,776.70	8,776.70		(4,600.49)			4,176.21	4,176.21	-	0.00
Money Market	2005 MF Prairie Oaks	0.00	08/01/13	09/01/13	86,963.29	86,963.29	0.12				86,963.41	86,963.41	-	0.00
Money Market	2005 MF Prairie Oaks	0.00	08/01/13	09/01/13	70,920.69	70,920.69	5,500.69				76,421.38	76,421.38	-	0.00
	<b>2005 MF Prairie Oaks Total</b>				<u>194,178.93</u>	<u>194,178.93</u>	<u>10,911.91</u>	<u>(4,600.49)</u>	<u>0.00</u>	<u>0.00</u>	<u>200,490.35</u>	<u>200,490.35</u>	<u>0.00</u>	<u>0.00</u>

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Money Market	2005 MF Port Royal	0.00	08/01/13	09/01/13	3,000.09	3,000.09	0.00				3,000.09	3,000.09	-	0.00
Money Market	2005 MF Port Royal	0.00	08/01/13	09/01/13	8,824.27	8,824.27	7,251.00				16,075.27	16,075.27	-	0.00
<b>2005 MF Port Royal Total</b>					11,824.36	11,824.36	7,251.00	0.00	0.00	0.00	19,075.36	19,075.36	0.00	0.00
Mutual Fund	2005 MF Mission Del Rio	0.00	08/01/13	09/01/13	51,221.05	51,221.05	30,575.64				81,796.69	81,796.69	-	0.00
Money Market	2005 MF Mission Del Rio	0.00	08/01/13	09/01/13	0.42	0.42	0.00				0.42	0.42	-	0.00
Money Market	2005 MF Mission Del Rio	0.00	08/01/13	09/01/13	6,072.93	6,072.93	6,564.00				12,636.93	12,636.93	-	0.00
<b>2005 MF Mission Del Rio Total</b>					57,294.40	57,294.40	37,139.64	0.00	0.00	0.00	94,434.04	94,434.04	0.00	0.00
Money Market	2005 MF Atascocita Apts	0.00	08/01/13	09/01/13	8,306.96	8,306.96	5,251.55				13,558.51	13,558.51	-	0.00
Money Market	2005 MF Atascocita Apts	0.00	08/01/13	09/01/13	8.81	8.81	0.15				8.96	8.96	-	0.00
Money Market	2005 MF Atascocita Apts	0.00	08/01/13	09/01/13	27.55	27.55	0.00				27.55	27.55	-	0.00
Money Market	2005 MF Atascocita Apts	0.00	08/01/13	09/01/13	1,416.37	1,416.37	36,643.72				38,060.09	38,060.09	-	0.00
<b>2005 MF Atascocita Apts Total</b>					9,759.69	9,759.69	41,895.42	0.00	0.00	0.00	51,655.11	51,655.11	0.00	0.00
Money Market	2005 MF Tower Ridge	0.00	08/01/13	09/01/13	5,906.06	5,906.06	4,905.83				10,811.89	10,811.89	-	0.00
Money Market	2005 MF Tower Ridge	0.00	08/01/13	09/01/13	916.53	916.53		(0.03)			916.50	916.50	-	0.00
Money Market	2005 MF Tower Ridge	0.00	08/01/13	09/01/13	86.21	86.21	0.00				86.21	86.21	-	0.00
Money Market	2005 MF Tower Ridge	0.00	08/01/13	09/01/13	1,826.66	1,826.66	0.03				1,826.69	1,826.69	-	0.00
Money Market	2005 MF Tower Ridge	0.00	08/01/13	09/01/13			24,511.67				24,511.67	24,511.67	-	0.00
<b>2005 MF Tower Ridge Total</b>					8,735.46	8,735.46	29,417.53	(0.03)	0.00	0.00	38,152.96	38,152.96	0.00	0.00
GNMA Inv Agmt	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	11,438,914.12	12,034,995.93			(35,522.84)		11,403,391.28	11,822,465.91	(177,007.18)	0.00
Money Market	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	321,148.67	321,148.67		(181,266.60)			139,882.07	139,882.07	-	0.00
Money Market	2005 MF Prairie Ranch	0.00	08/01/13	09/01/13	3,587.12	3,587.12	0.00				3,587.12	3,587.12	-	0.00
Money Market	2005 MF Prairie Ranch	0.00	08/01/13	09/01/13	4,679.14	4,679.14		(4,402.00)			277.14	277.14	-	0.00
<b>2005 MF Prairie Ranch Total</b>					11,768,329.05	12,364,410.86	0.00	(185,668.60)	(35,522.84)	0.00	11,547,137.61	11,966,212.24	(177,007.18)	0.00
Money Market	2005 MF St. Augustine	0.00	08/01/13	09/01/13	0.05	0.05	0.00				0.05	0.05	-	0.00
Money Market	2005 MF St. Augustine	0.00	08/01/13	09/01/13	51,969.36	51,969.36	24,449.20				76,418.56	76,418.56	-	0.00
Money Market	2005 MF St. Augustine	0.00	08/01/13	09/01/13	18,841.83	18,841.83		(12,126.45)			6,715.38	6,715.38	-	0.00
Money Market	2005 MF St. Augustine	0.00	08/01/13	09/01/13	12.66	12.66	0.00				12.66	12.66	-	0.00
<b>2005 MF St. Augustine Total</b>					70,823.90	70,823.90	24,449.20	(12,126.45)	0.00	0.00	83,146.65	83,146.65	0.00	0.00
Money Market	2005 MF Park Manor	0.02	08/01/13	09/01/13			73,507.60				73,507.60	73,507.60	-	0.00
Mutual Fund	2005 MF Park Manor	0.02	08/01/13	09/01/13	42,003.99	42,003.99		(42,003.99)			0.00	0.00	-	0.00
Money Market	2005 MF Park Manor	0.02	08/01/13	09/01/13	38,847.26	38,847.26		(17,879.26)			20,968.00	20,968.00	-	0.00
Money Market	2005 MF Park Manor	0.02	08/01/13	09/01/13	46,258.79	46,258.79	3.88				46,262.67	46,262.67	-	0.00
Money Market	2005 MF Park Manor	0.02	08/01/13	09/01/13	19,343.20	19,343.20		(16,647.50)			2,695.70	2,695.70	-	0.00
<b>2005 MF Park Manor Total</b>					146,453.24	146,453.24	73,511.48	(76,530.75)	0.00	0.00	143,433.97	143,433.97	0.00	0.00
Money Market	2005 MF Pr Mockingbird	0.00	08/01/13	09/01/13	36,679.85	36,679.85		(31,266.94)			5,412.91	5,412.91	-	0.00
Money Market	2005 MF Pr Mockingbird	0.00	08/01/13	09/01/13	63,260.97	63,260.97	58,444.47				121,705.44	121,705.44	-	0.00
Money Market	2005 MF Pr Mockingbird	0.00	08/01/13	09/01/13	73,945.88	73,945.88		(52.28)			73,893.60	73,893.60	-	0.00
Money Market	2005 MF Pr Mockingbird	0.00	08/01/13	09/01/13	625,010.17	625,010.17	0.06				625,010.23	625,010.23	-	0.00
Money Market	2005 MF Pr Mockingbird	0.00	08/01/13	09/01/13	28,714.70	28,714.70		(11,651.70)			17,063.00	17,063.00	-	0.00
<b>2005 MF Pr Mockingbird Total</b>					827,611.57	827,611.57	58,444.53	(42,970.92)	0.00	0.00	843,085.18	843,085.18	0.00	0.00
Money Market	2005 MF PI @ Chase Oaks	0.00	08/01/13	09/01/13	411.19	411.19	0.00				411.19	411.19	-	0.00
Money Market	2005 MF PI @ Chase Oaks	0.00	08/01/13	09/01/13	120.07	120.07	0.00				120.07	120.07	-	0.00
<b>2005 MF PI @ Chase Oaks Total</b>					531.26	531.26	0.00	0.00	0.00	0.00	531.26	531.26	0.00	0.00
Money Market	2006 MF Coral Hills	0.00	08/01/13	09/01/13	139,962.34	139,962.34		(77,175.66)			62,786.68	62,786.68	-	0.00
Money Market	2006 MF Coral Hills	0.00	08/01/13	09/01/13	2,640.13	2,640.13	0.00				2,640.13	2,640.13	-	0.00
<b>2006 MF Coral Hills Total</b>					142,602.47	142,602.47	0.00	(77,175.66)	0.00	0.00	65,426.81	65,426.81	0.00	0.00

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Money Market	2006 MF Harris Branch	0.00	08/01/13	09/01/13	74,557.02	74,557.02		(39,288.92)			35,268.10	35,268.10	-	0.00
Money Market	2006 MF Harris Branch	0.00	08/01/13	09/01/13	8,294.32	8,294.32	0.00				8,294.32	8,294.32	-	0.00
Money Market	2006 MF Harris Branch	0.00	08/01/13	09/01/13	29,475.68	29,475.68	11,558.29				41,033.97	41,033.97	-	0.00
Money Market	2006 MF Harris Branch	0.00	08/01/13	09/01/13	17,348.04	17,348.04	0.00				17,348.04	17,348.04	-	0.00
<b>2006 MF Harris Branch Total</b>					129,675.06	129,675.06	11,558.29	(39,288.92)	0.00	0.00	101,944.43	101,944.43	0.00	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	54,166.53	54,166.53	3,673.96				57,840.49	57,840.49	-	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	0.01	0.01	0.01				0.02	0.02	-	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	240,559.15	240,559.15	0.03				240,559.18	240,559.18	-	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	9,166.66	9,166.66	13,749.99				22,916.65	22,916.65	-	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	67,855.01	67,855.01	100,629.39				168,484.40	168,484.40	-	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/13	09/01/13	6,103.41	6,103.41	2,549.96				8,653.37	8,653.37	-	0.00
<b>2006 MF Bella Vista Total</b>					377,850.77	377,850.77	120,603.34	0.00	0.00	0.00	498,454.11	498,454.11	0.00	0.00
Money Market	2006 MF Village Park	0.00	08/01/13	09/01/13	4,329.37	4,329.37	0.00				4,329.37	4,329.37	-	0.00
Money Market	2006 MF Village Park	0.00	08/01/13	09/01/13	353,376.19	353,376.19		(167,078.36)			186,297.83	186,297.83	-	0.00
<b>2006 MF Village Park Total</b>					357,705.56	357,705.56	0.00	(167,078.36)	0.00	0.00	190,627.20	190,627.20	0.00	0.00
Money Market	2006 MF Oakmoor	0.00	08/01/13	09/01/13	7,187.60	7,187.60	3,560.00				10,747.60	10,747.60	-	0.00
Money Market	2006 MF Oakmoor	0.00	08/01/13	09/01/13	231,480.09	231,480.09	8,266.66				239,746.75	239,746.75	-	0.00
Money Market	2006 MF Oakmoor	0.00	08/01/13	09/01/13	79,758.63	79,758.63	47,089.93				126,848.56	126,848.56	-	0.00
Money Market	2006 MF Oakmoor	0.00	08/01/13	09/01/13	207,140.62	207,140.62	80,853.20				287,993.82	287,993.82	-	0.00
<b>2006 MF Oakmoor Total</b>					525,566.94	525,566.94	139,769.79	0.00	0.00	0.00	665,336.73	665,336.73	0.00	0.00
Money Market	2006 MF Sunset Pointe	0.00	08/01/13	09/01/13	28,706.50	28,706.50		(13,739.17)			14,967.33	14,967.33	-	0.00
Money Market	2006 MF Sunset Pointe	0.00	08/01/13	09/01/13	1,317.49	1,317.49	0.00				1,317.49	1,317.49	-	0.00
Money Market	2006 MF Sunset Pointe	0.00	08/01/13	09/01/13	0.23	0.23	0.00				0.23	0.23	-	0.00
Money Market	2006 MF Sunset Pointe	0.00	08/01/13	09/01/13	797,091.49	797,091.49	57,434.48				854,525.97	854,525.97	-	0.00
<b>2006 MF Sunset Pointe Total</b>					827,115.71	827,115.71	57,434.48	(13,739.17)	0.00	0.00	870,811.02	870,811.02	0.00	0.00
Money Market	2006 MF Hillcrest	0.00	08/01/13	09/01/13	161,237.62	161,237.62	180,726.62				341,964.24	341,964.24	-	0.00
<b>2006 MF Hillcrest Total</b>					161,237.62	161,237.62	180,726.62	0.00	0.00	0.00	341,964.24	341,964.24	0.00	0.00
Money Market	2006 MF Pleasant Village	0.02	08/01/13	09/01/13	136,152.04	136,152.04		(10,599.37)			125,552.67	125,552.67	-	0.00
Money Market	2006 MF Pleasant Village	0.02	08/01/13	09/01/13			117,994.49				117,994.49	117,994.49	-	0.00
Mutual Fund	2006 MF Pleasant Village	0.02	08/01/13	09/01/13	117,986.15	117,986.15		(117,986.15)			0.00	0.00	-	0.00
Money Market	2006 MF Pleasant Village	0.02	08/01/13	09/01/13	25,141.90	25,141.90	1.78				25,143.68	25,143.68	-	0.00
Money Market	2006 MF Pleasant Village	0.02	08/01/13	09/01/13			2.00				2.00	2.00	-	0.00
<b>2006 MF Pleasant Village Total</b>					279,280.09	279,280.09	117,998.27	(128,585.52)	0.00	0.00	268,692.84	268,692.84	0.00	0.00
Money Market	2006 MF Grove Village	0.02	08/01/13	09/01/13	251,733.62	251,733.62	9.94				251,743.56	251,743.56	-	0.00
Money Market	2006 MF Grove Village	0.02	08/01/13	09/01/13	26,614.84	26,614.84	1.88				26,616.72	26,616.72	-	0.00
Money Market	2006 MF Grove Village	0.02	08/01/13	09/01/13			10.02				10.02	10.02	-	0.00
Money Market	2006 MF Grove Village	0.02	08/01/13	09/01/13	30,746.59	30,746.59		(11,575.00)			19,171.59	19,171.59	-	0.00
Money Market	2006 MF Grove Village	0.02	08/01/13	09/01/13	2.61	2.61	0.00				2.61	2.61	-	0.00
<b>2006 MF Grove Village Total</b>					309,097.66	309,097.66	21.84	(11,575.00)	0.00	0.00	297,544.50	297,544.50	0.00	0.00
Money Market	2006 MF Red Hills	0.00	08/01/13	09/01/13	27,658.76	27,658.76	3,569.73				31,228.49	31,228.49	-	0.00
Money Market	2006 MF Red Hills	0.00	08/01/13	09/01/13	48.48	48.48	0.00				48.48	48.48	-	0.00
Money Market	2006 MF Red Hills	0.00	08/01/13	09/01/13	96,326.69	96,326.69		(85,164.00)			11,162.69	11,162.69	-	0.00
Money Market	2006 MF Red Hills	0.00	08/01/13	09/01/13	11.44	11.44	0.00				11.44	11.44	-	0.00
<b>2006 MF Red Hills Total</b>					124,045.37	124,045.37	3,569.73	(85,164.00)	0.00	0.00	42,451.10	42,451.10	0.00	0.00
Money Market	2006 MF Champion Crossing	0.00	08/01/13	09/01/13	10,099.09	10,099.09	0.00				10,099.09	10,099.09	-	0.00
Money Market	2006 MF Champion Crossing	0.00	08/01/13	09/01/13	24,386.13	24,386.13	2,435.28				26,821.41	26,821.41	-	0.00
Money Market	2006 MF Champion Crossing	0.00	08/01/13	09/01/13	96.85	96.85	0.00				96.85	96.85	-	0.00

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Money Market	2006 MF Champion Crossing	0.00	08/01/13	09/01/13	29,758.96	29,758.96	21,720.00				51,478.96	51,478.96	-	0.00
Money Market	2006 MF Champion Crossing	0.00	08/01/13	09/01/13	11.44	11.44	0.00				11.44	11.44	-	0.00
	<b>2006 MF Champion Crossing Total</b>				64,352.47	64,352.47	24,155.28	0.00	0.00	0.00	88,507.75	88,507.75	0.00	0.00
Money Market	2006 MF Stonehaven	0.00	08/01/13	09/01/13	28,598.42	28,598.42	5,129.00				33,727.42	33,727.42	-	0.00
	<b>2006 MF Stonehaven Total</b>				28,598.42	28,598.42	5,129.00	0.00	0.00	0.00	33,727.42	33,727.42	0.00	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	462,946.35	462,946.35	0.00				462,946.35	462,946.35	-	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	48,101.39	48,101.39	6,208.41				54,309.80	54,309.80	-	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	0.02	0.02	0.00				0.02	0.02	-	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	151,240.64	151,240.64	88,226.57				239,467.21	239,467.21	-	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	210,747.97	210,747.97		(10,037.20)			200,710.77	200,710.77	-	0.00
Money Market	2006 MF Meadowlands	0.01	08/01/13	09/01/13	60,443.02	60,443.02		(118.16)			60,324.86	60,324.86	-	0.00
	<b>2006 MF Meadowlands Total</b>				933,479.39	933,479.39	94,434.98	(10,155.36)	0.00	0.00	1,017,759.01	1,017,759.01	0.00	0.00
Money Market	2006 MF East Texas Pines	0.00	08/01/13	09/01/13	12,513.29	12,513.29	8,156.68				20,669.97	20,669.97	-	0.00
Money Market	2006 MF East Texas Pines	0.00	08/01/13	09/01/13	22,405.54	22,405.54	97,604.24				120,009.78	120,009.78	-	0.00
Money Market	2006 MF East Texas Pines	0.00	08/01/13	09/01/13	256,080.35	256,080.35	187,541.45				443,621.80	443,621.80	-	0.00
Money Market	2006 MF East Texas Pines	0.00	08/01/13	09/01/13	302,223.23	302,223.23	20,833.35				323,056.58	323,056.58	-	0.00
	<b>2006 MF East Texas Pines Total</b>				593,222.41	593,222.41	314,135.72	0.00	0.00	0.00	907,358.13	907,358.13	0.00	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	41.67	41.67	2.33				44.00	44.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	45,647.48	45,647.48	26,647.00				72,294.48	72,294.48	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	11,460.19	11,460.19	22,665.00				34,125.19	34,125.19	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	13,945.86	13,945.86	6,999.99				20,945.85	20,945.85	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	19.00	19.00	0.00				19.00	19.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	402.42	402.42	0.00				402.42	402.42	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	0.74	0.74	0.00				0.74	0.74	-	0.00
Money Market	2006 MF Villas at Henderson	0.00	08/01/13	09/01/13	14,066.57	14,066.57	3,846.43				17,913.00	17,913.00	-	0.00
	<b>2006 MF Villas at Henderson Total</b>				85,583.93	85,583.93	60,160.75	0.00	0.00	0.00	145,744.68	145,744.68	0.00	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	08/01/13	09/01/13	258,624.20	258,624.20		(148,703.66)			109,920.54	109,920.54	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	08/01/13	09/01/13	6,427.86	6,427.86	6,420.11				12,847.97	12,847.97	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.00	08/01/13	09/01/13	5,650.32	5,650.32	0.06				5,650.38	5,650.38	-	0.00
	<b>2006 MF Aspen Parks Apts Total</b>				270,702.38	270,702.38	6,420.17	(148,703.66)	0.00	0.00	128,418.89	128,418.89	0.00	0.00
Money Market	2006 MF Idlewild Apts	0.00	08/01/13	09/01/13	18,029.19	18,029.19	6,443.93				24,473.12	24,473.12	-	0.00
Money Market	2006 MF Idlewild Apts	0.00	08/01/13	09/01/13	67,224.81	67,224.81	38,128.29				105,353.10	105,353.10	-	0.00
Money Market	2006 MF Idlewild Apts	0.00	08/01/13	09/01/13	11,585.60	11,585.60	0.00				11,585.60	11,585.60	-	0.00
Money Market	2006 MF Idlewild Apts	0.00	08/01/13	09/01/13	0.97	0.97	0.00				0.97	0.97	-	0.00
	<b>2006 MF Idlewild Apts Total</b>				96,840.57	96,840.57	44,572.22	0.00	0.00	0.00	141,412.79	141,412.79	0.00	0.00
Money Market	2007 MF Landcaster Apts	0.00	08/01/13	09/01/13	6,789.84	6,789.84	6,452.60				13,242.44	13,242.44	-	0.00
Money Market	2007 MF Landcaster Apts	0.00	08/01/13	09/01/13	888.02	888.02	0.00				888.02	888.02	-	0.00
Money Market	2007 MF Landcaster Apts	0.00	08/01/13	09/01/13	63,745.55	63,745.55	38,128.29				101,873.84	101,873.84	-	0.00
Money Market	2007 MF Landcaster Apts	0.00	08/01/13	09/01/13	1,707.95	1,707.95	0.00				1,707.95	1,707.95	-	0.00
Money Market	2007 MF Landcaster Apts	0.00	08/01/13	09/01/13	0.97	0.97	0.00				0.97	0.97	-	0.00
	<b>2007 MF Landcaster Apts Total</b>				73,132.33	73,132.33	44,580.89	0.00	0.00	0.00	117,713.22	117,713.22	0.00	0.00
Money Market	2007 MF Park Place	0.01	08/01/13	09/01/13	96,053.72	96,053.72	12,602.61				108,656.33	108,656.33	-	0.00
Money Market	2007 MF Park Place	0.01	08/01/13	09/01/13	109,693.93	109,693.93	59,836.65				169,530.58	169,530.58	-	0.00
Money Market	2007 MF Park Place	0.01	08/01/13	09/01/13	68,096.72	68,096.72		(113.58)			67,983.14	67,983.14	-	0.00
Money Market	2007 MF Park Place	0.01	08/01/13	09/01/13	9,781.82	9,781.82	4,362.89				14,144.71	14,144.71	-	0.00
	<b>2007 MF Park Place Total</b>				283,626.19	283,626.19	76,802.15	(113.58)	0.00	0.00	360,314.76	360,314.76	0.00	0.00
Money Market	2007 MF Terrace @ Cibolo	0.00	08/01/13	09/01/13	34,094.94	34,094.94	23,871.00				57,965.94	57,965.94	-	0.00

**Texas Department of Housing and Community Affairs**  
**Multifamily Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Money Market	2007 MF Terrace @ Cibolo	0.00	08/01/13	09/01/13	4,463.70	4,463.70	0.00				4,463.70	4,463.70	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.00	08/01/13	09/01/13	7,948.83	7,948.83	3,269.51				11,218.34	11,218.34	-	0.00
	<b>2007 MF Terrace @ Cibolo Total</b>				46,507.47	46,507.47	27,140.51	0.00	0.00	0.00	73,647.98	73,647.98	0.00	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	96,752.95	96,752.95	58,832.26				155,585.21	155,585.21	-	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	81,004.82	81,004.82	9,602.02				90,606.84	90,606.84	-	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	57,835.21	57,835.21		(100.50)			57,734.71	57,734.71	-	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	6,911.74	6,911.74	100.70				7,012.44	7,012.44	-	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	10.24	10.24	0.00				10.24	10.24	-	0.00
Money Market	2007 MF Santora Villas	0.01	08/01/13	09/01/13	9,059.75	9,059.75	5,218.17				14,277.92	14,277.92	-	0.00
	<b>2007 MF Santora Villas Total</b>				251,574.71	251,574.71	73,753.15	(100.50)	0.00	0.00	325,227.36	325,227.36	0.00	0.00
GNMA	2007 A/B MF Villas @ Mesquite	5.17	04/29/10	07/20/47	16,382,642.59	17,418,736.12			(43,083.67)		16,339,558.92	16,971,916.99	(403,735.46)	0.00
GIC's	2007 A/B MF Villas @ Mesquite	4.78	08/23/07	07/20/47	382,616.55	382,616.55		(261,674.20)			120,942.35	120,942.35	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.00	08/01/13	09/01/13	7,262.13	7,262.13	0.00				7,262.13	7,262.13	-	0.00
	<b>2007 A/B MF Villas @ Mesquite Total</b>				16,772,521.27	17,808,614.80	0.00	(261,674.20)	(43,083.67)	0.00	16,467,763.40	17,100,121.47	(403,735.46)	0.00
GNMA	2007 MF Summit Point	5.32	10/01/10	06/15/47	9,226,708.84	10,048,162.73			(22,861.18)		9,203,847.66	9,769,516.14	(255,785.41)	0.00
Money Market	2007 MF Summit Point	0.00	08/01/13	09/01/13	379,838.76	379,838.76		(148,725.02)			231,113.74	231,113.74	-	0.00
Money Market	2007 MF Summit Point	0.00	08/01/13	09/01/13	5,567.15	5,567.15	2,635.11				8,202.26	8,202.26	-	0.00
	<b>2007 MF Summit Point Total</b>				9,612,114.75	10,433,568.64	2,635.11	(148,725.02)	(22,861.18)	0.00	9,443,163.66	10,008,832.14	(255,785.41)	0.00
Money Market	2007 MF Costa Rialto	0.00	08/01/13	09/01/13	20,442.10	20,442.10		(16,199.72)			4,242.38	4,242.38	-	0.00
Mutual Fund	2007 MF Costa Rialto	0.00	08/01/13	09/01/13	110,735.72	110,735.72	53,807.28				164,543.00	164,543.00	-	0.00
Money Market	2007 MF Costa Rialto	0.00	08/01/13	09/01/13	76,882.07	76,882.07		(873.16)			76,008.91	76,008.91	-	0.00
	<b>2007 MF Costa Rialto Total</b>				208,059.89	208,059.89	53,807.28	(17,072.88)	0.00	0.00	244,794.29	244,794.29	0.00	0.00
Money Market	2007 MF Windshire Apts	0.00	08/01/13	09/01/13	26,131.89	26,131.89		(19,148.16)			6,983.73	6,983.73	-	0.00
Money Market	2007 MF Windshire Apts	0.00	08/01/13	09/01/13	4.59	4.59	0.00				4.59	4.59	-	0.00
Money Market	2007 MF Windshire Apts	0.00	08/01/13	09/01/13	24,215.91	24,215.91	32,252.30				56,468.21	56,468.21	-	0.00
Money Market	2007 MF Windshire Apts	0.00	08/01/13	09/01/13	569.86	569.86	0.00				569.86	569.86	-	0.00
	<b>2007 MF Windshire Apts Total</b>				50,922.25	50,922.25	32,252.30	(19,148.16)	0.00	0.00	64,026.39	64,026.39	0.00	0.00
Money Market	2007 MF Residences @ Onion Crk	0.00	08/01/13	09/01/13	11,746.29	11,746.29	4,575.82				16,322.11	16,322.11	-	0.00
	<b>2007 MF Residences @ Onion Crk Total</b>				11,746.29	11,746.29	4,575.82	0.00	0.00	0.00	16,322.11	16,322.11	0.00	0.00
Money Market	2008 MF West Oaks Apts	0.00	08/01/13	09/01/13	16,322.67	16,322.67	1,064.19				17,386.86	17,386.86	-	0.00
Money Market	2008 MF West Oaks Apts	0.00	08/01/13	09/01/13	22,167.83	22,167.83		(12,847.50)			9,320.33	9,320.33	-	0.00
	<b>2008 MF West Oaks Apts Total</b>				38,490.50	38,490.50	1,064.19	(12,847.50)	0.00	0.00	26,707.19	26,707.19	0.00	0.00
Money Market	2008 MF Costa Ibiza Apts	0.00	08/01/13	09/01/13	11.30	11.30	0.79				12.09	12.09	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.00	08/01/13	09/01/13	0.46	0.46	14,426.26				14,426.72	14,426.72	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.00	08/01/13	09/01/13	19,090.48	19,090.48		(7,770.83)			11,319.65	11,319.65	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.00	08/01/13	09/01/13	119,284.05	119,284.05		(97,084.12)			22,199.93	22,199.93	-	0.00
	<b>2008 MF Costa Ibiza Apts Total</b>				138,386.29	138,386.29	14,427.05	(104,854.95)	0.00	0.00	47,958.39	47,958.39	0.00	0.00
Money Market	2008 MF Addison Park Apts	0.00	08/01/13	09/01/13	1,431.60	1,431.60	0.61				1,432.21	1,432.21	-	0.00
Mutual Fund	2008 MF Addison Park Apts	0.00	08/01/13	09/01/13	96,061.46	96,061.46		(62,850.82)			33,210.64	33,210.64	-	0.00
Money Market	2008 MF Addison Park Apts	0.00	08/01/13	09/01/13	21,869.75	21,869.75		(17,957.91)			3,911.84	3,911.84	-	0.00
	<b>2008 MF Addison Park Apts Total</b>				119,362.81	119,362.81	0.61	(80,808.73)	0.00	0.00	38,554.69	38,554.69	0.00	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	08/01/13	09/01/13	1.67	1.67	0.00				1.67	1.67	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	08/01/13	09/01/13	64,520.48	64,520.48	6,349.99				70,870.47	70,870.47	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	08/01/13	09/01/13	42,464.71	42,464.71	37,496.82				79,961.53	79,961.53	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.00	08/01/13	09/01/13	2.80	2.80	0.00				2.80	2.80	-	0.00
	<b>2008 MF Alta Cullen Ref Total</b>				106,989.66	106,989.66	43,846.81	0.00	0.00	0.00	150,836.47	150,836.47	0.00	0.00

**Texas Department of Housing and Community Affairs  
Multifamily Investment Summary  
For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Money Market	2009 MF Costa Mariposa	0.00	08/01/13	09/01/13	1,406.57	1,406.57	9,541.35				10,947.92	10,947.92	-	0.00
	<b>2009 MF Costa Mariposa Total</b>				1,406.57	1,406.57	9,541.35	0.00	0.00	0.00	10,947.92	10,947.92	0.00	0.00
Money Market	2009 MF Woodmont Apts	0.00	08/01/13	09/01/13	1,833.42	1,833.42	333.38				2,166.80	2,166.80	-	0.00
Money Market	2009 MF Woodmont Apts	0.00	08/01/13	09/01/13	56,090.96	56,090.96	52,357.73				108,448.69	108,448.69	-	0.00
Money Market	2009 MF Woodmont Apts	0.00	08/01/13	09/01/13	0.02	0.02	0.00				0.02	0.02	-	0.00
Money Market	2009 MF Woodmont Apts	0.00	08/01/13	09/01/13	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2009 MF Woodmont Apts	0.00	08/01/13	09/01/13	23,995.96	23,995.96		(15,639.52)			8,356.44	8,356.44	-	0.00
	<b>2009 MF Woodmont Apts Total</b>				81,920.53	81,920.53	52,691.11	(15,639.52)	0.00	0.00	118,972.12	118,972.12	0.00	0.00
<b>Total Multifamily Investment Summary</b>					62,333,727.80	64,787,357.03	5,909,065.38	(4,003,754.19)	(101,467.69)	0.00	64,137,571.30	65,754,672.48	(836,528.05)	0.00



**Texas Department of Housing and Community Affairs**  
**Taxable Mortgage Program Investment Summary**  
**For Period Ending August 31, 2013**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/13	Beginning Market Value 05/31/13	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/13	Ending Market Value 08/31/13	Change In Market Value	Recognized Gain
Repo Agmt	PROGRAM 79-TMP	0.02	08/30/13	09/03/13	1,160,343.62	1,160,343.62	535,996.86				1,696,340.48	1,696,340.48	-	0.00
GNMA	PROGRAM 79-TMP	2.65	01/29/13	12/15/42	49,310.73	47,541.95			(324.97)		48,985.76	44,941.50	(2,275.48)	0.00
GNMA	PROGRAM 79-TMP	3.20	01/29/13	10/15/42	114,618.20	116,884.20			(541.31)		114,076.89	110,708.20	(5,634.69)	0.00
GNMA	PROGRAM 79-TMP	3.25	01/29/13	01/15/43	4,450,944.28	4,544,503.13			(21,783.14)		4,429,161.14	4,304,037.34	(218,682.65)	0.00
GNMA	PROGRAM 79-TMP	4.00	08/30/11	07/15/41	315,440.39	335,259.51			(1,412.11)		314,028.28	327,327.38	(6,520.02)	0.00
FNMA	PROGRAM 79-TMP	5.49	05/29/03	04/01/33	93,827.97	102,585.87			(646.42)		93,181.55	100,121.71	(1,817.74)	0.00
FNMA	PROGRAM 79-TMP	4.80	09/18/03	07/01/33	68,562.45	74,050.19			(495.60)		68,066.85	71,857.49	(1,697.10)	0.00
FNMA	PROGRAM 79-TMP	5.49	12/04/03	11/01/33	49,321.95	53,925.66			(355.58)		48,966.37	52,580.58	(989.50)	0.00
FNMA	PROGRAM 79-TMP	4.80	01/15/04	11/01/33	240,434.57	258,411.86			(108,814.50)		131,620.07	139,044.76	(10,552.60)	0.00
FNMA	PROGRAM 79-TMP				79,943.77	86,017.10			(79,943.77)				(6,073.33)	0.00
FNMA	PROGRAM 79-TMP	5.49	04/08/04	06/01/33	59,785.06	64,991.74			(454.54)		59,330.52	63,705.55	(831.65)	0.00
GNMA	PROGRAM 79-TMP	4.60	12/07/11	06/15/41	44,839.77	47,989.76			(189.18)		44,650.59	47,576.99	(223.59)	0.00
GNMA	PROGRAM 79-TMP	3.50	11/28/11	10/15/41	113,914.33	119,935.84			(541.86)		113,372.47	114,695.53	(4,698.45)	0.00
FNMA	PROGRAM 79-TMP	5.49	09/02/04	08/01/34	225,053.96	244,023.76			(101,330.60)		123,723.36	132,841.77	(9,851.39)	0.00
FNMA	PROGRAM 79-TMP	4.80	11/10/04	10/01/34	54,528.54	58,605.64			(370.29)		54,158.25	57,227.40	(1,007.95)	0.00
FNMA	PROGRAM 79-TMP	5.49	07/14/05	05/01/35	35,387.42	38,168.52			(205.05)		35,182.37	37,768.98	(194.49)	0.00
FNMA	PROGRAM 79-TMP	5.49	11/03/05	10/01/35	123,797.73	134,232.64			(836.35)		122,961.38	132,001.50	(1,394.79)	0.00
FNMA	PROGRAM 79-TMP	4.80	12/15/05	10/01/35	61,955.15	66,587.54			(568.54)		61,386.61	64,788.04	(1,230.96)	0.00
FNMA	PROGRAM 79-TMP	5.49	04/27/06	03/01/36	62,995.16	67,945.95			(327.22)		62,667.94	67,275.29	(343.44)	0.00
Repo Agmt	PROGRAM 79-TMP	0.02	08/30/13	09/03/13	220,699.32	220,699.32	316,171.40				536,870.72	536,870.72	-	0.00
Repo Agmt	PROGRAM 79-TMP	0.02	08/30/13	09/03/13	173,792.45	173,792.45	25,760.11				199,552.56	199,552.56	-	0.00
GNMA	PROGRAM 79-TMP	3.10	09/17/12	08/15/42	247,436.82	252,328.65			(1,296.69)		246,140.13	238,856.84	(12,175.12)	0.00
GNMA	PROGRAM 79-TMP	3.70	09/17/12	09/15/42	1,439,236.38	1,517,645.98			(6,755.39)		1,432,480.99	1,450,788.10	(60,102.49)	0.00
GNMA	PROGRAM 79-TMP	3.70	09/26/12	09/15/42	253,937.51	267,360.65			(1,116.75)		252,820.76	255,662.47	(10,581.43)	0.00
<b>PROGRAM 79-TMP Total</b>					9,740,107.53	10,053,831.53	877,928.37	0.00	(328,309.86)	0.00	10,289,726.04	10,246,571.18	(356,878.86)	0.00
<b>Total Taxable Mortgage Program Investment Summary</b>					9,740,107.53	10,053,831.53	877,928.37	0.00	(328,309.86)	0.00	10,289,726.04	10,246,571.18	(356,878.86)	0.00

# **ACTION ITEMS**

2

**BOARD ACTION REQUEST**  
**HOUSING RESOURCE CENTER**  
**NOVEMBER 7, 2013**

Presentation, Discussion and Possible Action regarding the submittal to HUD of the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing

**RECOMMENDED ACTION**

**WHEREAS**, the State of Texas, as a recipient of federal appropriations from the U.S. Department of Housing and Urban Development (“HUD”), is required to have a current analysis of impediments to fair housing choice;

**WHEREAS**, the Department, as the state agency statutorily directed to administer most state and federal housing programs, has been tasked with the responsibility of ensuring that the required analysis is performed;

**WHEREAS**, the Department received HUD approval of the Phase 1 Analysis to Impediments on May 13, 2011; and

**WHEREAS**, this Board requires compliance with all applicable legal requirements and strongly supports developing a well-prepared and thoroughly documented analysis of impediments to fair housing choice

**NOW, therefore, it is hereby**

**RESOLVED**, that State of Texas Plan for Fair Housing Choice: Phase 2 Analysis to Impediments for Fair Housing, in the form presented to this meeting, is hereby approved and the Executive Director and his designees are each hereby authorized, empowered and directed, for and on behalf of the Department, to submit the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing to HUD, and, in connection therewith, to make such nonsubstantive grammatical and technical changes as they deem necessary or advisable.

**BACKGROUND**

As part of the consolidated planning process, HUD requires the State to certify that it will affirmatively further fair housing. This includes the preparation of an Analysis of Impediments to Fair Housing (AI), taking appropriate actions to overcome the effects of any impediments identified through the analysis and maintaining records reflecting the analysis and actions. (24 CFR §91.225)

The Analysis of Impediments is a review of impediments to fair housing choice. The analysis covers public and private policies, practices, and procedures affecting housing choice. Impediments to fair housing choice include, but are not limited to:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice and

- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

The Analysis of Impediments serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.

The State submitted the *2010-2014 State of Texas Consolidated Plan* to HUD in December 2009. Annual updates to the Consolidated Plan and annual performance reports are incorporated in the Consolidated Planning process. As presented to the Board in January 2010, the State last revised the Analysis of Impediments to Fair Housing in January 2003. That AI was conducted in-house and required significant resources to develop. The Department started the process to update its AI in late 2010 and on March 24, 2011, the State submitted an updated AI known as the Phase 1 that covered a sixty-three (63) county area eligible to receive hurricane recovery funds as a result of hurricanes that occurred in 2008. The Phase 1 AI identified 16 impediments in four categories: education, training, planning, and enforcement, and received HUD approval on May 13, 2011.

On November 11, 2011, the Governing Board approved staff's recommendation to move forward with an award to a qualified firm with experience in the development of AI's to prepare the Phase 2 AI to cover the entire State of Texas. Staff ultimately entered into a contract with the highest ranking firm that responded, BBC Research & Consulting, Inc. (BBC). BBC began work on the Phase 2 AI in December 2011. Between January and December 2012, the Board received monthly updates detailing the research, public input, analysis and preparation of the AI. Staff posted regularly updated information regarding the document on the Department's website, including the schedule of tasks and research and the monthly progress in each of the 30 subtasks. The public was able to access the data sets utilized during the preparation of the Phase 2 AI from the Department's website. The published Public Input Plan for the document included broad and comprehensive outreach through a six-point strategy: survey of Texas residents; in-person focus groups; survey of stakeholders; online focus groups with stakeholders; interviews with stakeholders; and public hearings.

Ten cities were selected to host public forums open to both local residents and stakeholders. These forums were held beginning in June 2012 in League City, San Angelo, Kerrville, El Paso, Tulia, Carrizo Springs, Port Arthur, Abilene, Tyler, and McAllen. The notification process for the public forums included a TDHCA website posting, email to the Department's email lists, and emails to all stakeholders previously interviewed or surveyed for the AI. Throughout this process, the Department continued to update its website on a consistent basis in order to improve communication with the public and ensure the broadest possible scope of input.

The draft AI was available for a 45-day public comment period from July 5 through August 19, 2013. The public hearing schedule was published in the *Texas Register*. Hearings were held in Austin, Fort Worth, Harlingen, Midland, and Nacogdoches. Approximately 45 individuals attended the public hearings. Public comment received is included in the AI as presented today. For those comments not incorporated into the final AI, reasons are given as to why they were excluded.

The impediments and observations<sup>1</sup> noted in the Phase 2 AI are listed below.

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<sup>1</sup> There are three components of an impediment: First, a fair housing impediment must be an identified matter that directly or indirectly (has the effect of) creating a barrier to fair housing choice. Second, an impediment must have a disproportionate effect on a protected class. Third, an impediment must be caused by an "action, omission or decision." The Phase 2 AI identified some potential barriers or symptoms of barriers to housing choice that could not be clearly linked to one or more protected classes or a particular action, omission or decision. These do not strictly fall within HUD's definition of "impediment." Instead, these potential barriers are called

- Impediment No. 1: Not in My Backyard syndrome (NIMBYism) can create barriers to housing choice for protected classes in some communities.
- Impediment No. 2: There is inadequate information available to local governments, stakeholders and the public about fair housing requirements and programs to assist persons with disabilities and low income residents.
- Impediment No. 3: The public is not sufficiently aware of how to obtain assistance necessary to protect fair housing rights.
- Impediment No. 4: Protected classes may experience disparities in home mortgage loan denials and high cost loans.
- Impediment No. 5: Lack of accessible housing and visitability standards limits fair housing choice for persons with disabilities.
- Impediment No. 6: There are barriers to mobility and free housing choice for protected classes.
- Observation No. 1: Racial and ethnic concentrations exist in many areas within Texas.
- Observation No. 2: Municipal revenue structure may create barriers to housing choice.
- Observation No. 3: Many jurisdictions do not have adequate Analysis of Impediments to Fair Housing or Fair Housing Plans.
- Observation No. 4: Several laws which on their face pose no inconsistency with the laws regarding fair housing present opportunities for local decision-making and effectuation.

The Phase 2 AI includes six (6) goals to address the identified impediments and observations. The specific action steps associated with each of the goals are included in the full document.

- Goal No. 1: Create greater mobility and improve housing opportunities for low income households and members of protected classes.
- Goal No. 2: Improve housing options for persons with disabilities.
- Goal No. 3: Work to reduce Not in My Backyard syndrome (NIMBYism).
- Goal No. 4: Improve knowledge of fair housing laws statewide.
- Goal No. 5: Promote and adopt best practices in local zoning and land use regulations to reduce barriers for development of affordable and special needs housing.
- Goal No. 6: Improve consumer knowledge of mortgage loan options and consumer credit, monitor new loan disparity and pricing data and reduce the rate of unbanked residents.

The AI can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

Staff recommends approval of the State of Texas Plan for Fair Housing Choice: Phase 2 Analysis of Impediments to Fair Housing.

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observations. For the purposes of this study, an "observation" is an identified fair housing issue that may create an impediment to fair housing choice; but for which a direct link to a cause or effect of an action on a protected class has not been established.

3a

**BOARD ACTION REQUEST**  
**COMPLIANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, §§10.601 – 10.625, concerning Compliance Monitoring, and adopting new Subchapter F, §§10.601 – 10.626, concerning Compliance Monitoring

**RECOMMENDED ACTION**

**WHEREAS**, the Board approved the Compliance Monitoring Rules to be published in the *Texas Register* for public comment at the September 12, 2013, Board meeting and the public comment period has ended.

**NOW, therefore, it is hereby**

**RESOLVED**, that the Board adopts the repeal of 10 TAC Chapter 10, Uniform Multifamily Rules, Subchapter F, §§10.601 – 10.625, concerning Compliance Monitoring and new Subchapter F, §§10.601 – 10.626, concerning Compliance Monitoring, and orders that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed, for and on behalf of the Department, to publish the repeal of 10 TAC Chapter 10 Uniform Multifamily Rules, Subchapter F, §§10.601 – 10.625, concerning Compliance Monitoring, and the adoption of a new Subchapter F, §§10.601 – 10.626, concerning Compliance Monitoring in the *Texas Register* and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The Board approved the proposed repeal and new Compliance Monitoring rule, 10 TAC, Chapter 10, Subchapter F, §§10.601-10.626 at the September 12, 2013, Board meeting to be published in the *Texas Register* for public comment. The repeal and new Compliance Monitoring Rule were available for public comment from September 28, 2013, through October 28, 2013.

In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to these comments.



## **Attachment 1: Preamble and proposed repeal of 10 TAC Chapter 10, Subchapter F.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts the repeal of 10 TAC Chapter 10, Subchapter F, §§10.601-10.625 concerning Compliance Monitoring without changes to the text as published in the September 27, 2013, issue of the *Texas Register* (38 TexReg 6417) and will not be republished.

REASONED JUSTIFICATION. The rule is being repealed to allow the adoption of new rules which will reorganize and clarify existing requirements. The adoption of a new Chapter 10, Subchapter F, §§10.601-10.626, concerning Compliance Monitoring, is published concurrently with this repeal in this issue of the *Texas Register*.

The Department accepted public comments between September 28, 2013, and October 28, 2013. Comments regarding the repeal were accepted in writing and by fax. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on November 7, 2013.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

- §10.601. Purpose and Overview.
- §10.602. Construction Monitoring.
- §10.603. Reporting Requirements.
- §10.604. Recordkeeping Requirements.
- §10.605. Notices to the Department.
- §10.606. Determination, Documentation and Certification of Annual Income.
- §10.607. Utility Allowances.
- §10.608. Lease Requirements.
- §10.609. Annual Recertification for All Programs and Student Requirements for HTC, Exchange, TCAP, and BOND Developments.
- §10.610. Managing Additional Income and Rent Restrictions for HTC, Exchange and TCAP Developments.
- §10.611. Household Unit Transfer Requirements for All Programs.
- §10.612. Requirements Pertaining to Households with Rental Assistance.
- §10.613. Onsite Monitoring.
- §10.614. Monitoring for Social Services.
- §10.615. Monitoring for Non-Profit Participation or HUB Participation.
- §10.616. Property Condition Standards.
- §10.617. Notice to Owners.
- §10.618. Special Rules Regarding Rents and Rent Limit Violations.
- §10.619. Notices to the Internal Revenue Service (HTC Properties).
- §10.620. Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period.
- §10.621. Material Noncompliance Methodology.

- §10.622. Alternative Dispute Resolution.
- §10.623. Liability.
- §10.624. Applicability.
- §10.625. Temporary Suspension of Other Sections of this Subchapter.

## **Attachment 2. Preamble, reasoned response and new Rule.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC Chapter 10, Subchapter F, §§10.601 - 10.626 concerning Compliance Monitoring with changes to the proposed text as published in the September 27, 2013, issue of the *Texas Register* (38 TexReg 6417).

**REASONED JUSTIFICATION.** The purpose of this new Subchapter is to provide guidance on complying with multifamily Department programs. The new sections set forth procedures for monitoring for compliance with the Department’s rental housing programs, set deadlines for annual reporting and corrective action due dates, codify record keeping requirements, set forth required and prohibited tenant selection criteria and lease language, codify requirements for establishing a compliant utility allowance, and set forth affirmative marketing requirements and social service requirements.

### **SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS.**

Comments were accepted from September 28, 2013 through October 28, 2013, with comments received from Barry Kahn (1), Granger MacDonald (2), Abby Allen (3), Jennifer Joyce (4) and Jim Beats (5).

#### **1. §10.612(a)(4)**

**COMMENT SUMMARY:** Commenter (4) suggested the following change:

“The Department’s Fair Housing Disclosure Notice form. This notice must be presented to the household at the time of application for occupancy and must be executed no more than one-hundred twenty (120) days prior to the effective date of the lease. This requirement pertains to all households taking initial occupancy of a low-income unit on a Development administered by the Department including households transferring within the same Development. If the household is not provided this notice prior to move in or transfer, the Department will consider the event corrected if the Fair Housing Disclosure Notice is provided to the household no more than one-hundred twenty (120) days ~~and no less than thirty (30) days~~ prior to the date that the household is legally obligated to provide written notice of their intention to terminate or renew their current lease, or the date a qualified household occupies the unit as long as the Fair Housing Disclosure Notice is provided to the new household.”

**STAFF RESPONSE:** Staff does not agree that providing the notice to a new household corrects the noncompliance of not providing the notice to the previous household. Staff does not recommend any change based on this comment.

#### **2. §10.613(k) and (l)**

**COMMENT SUMMARY:** Commenter (4) requested these subsections (which relate to providing residents notice about required amenities and services) be deleted in their entirety. The commenter suggested these subsections are unnecessary and should be deleted because (1) residents are notified of the presence of amenities and services through the property’s marketing; (2) TDHCA already monitors to ensure that residents are aware of and are using supportive services; and (3) because new households are presented with excessive paperwork and the highly-technical language of the required notice would be more paperwork and confusing.

**STAFF RESPONSE:** Not all properties identify their amenities and services in their marketing materials. TDHCA’s current monitoring scope does not test to ensure that residents are “aware” of the availability of services. Staff disagrees that the language in the notice will be highly technical or that it should not be provided because households are already presented with paperwork. Staff does not recommend any change based on this comment.

### **3. §10.614(a)**

**COMMENT SUMMARY:** Commenter (3) suggested the following change:

“...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 or equal to the allowable limit....”

**STAFF RESPONSE:** Staff agrees. The change is included in the rule.

### **4. §10.614(i)**

**COMMENT SUMMARY:** Commenter (5) stated that subsection (i) contradicts the timing requirements referenced in §10.614(a). In addition, the commenter states that there is no provision in Treasury Regulation §1.42-10 or the IRS Audit Guide for comparing allowances from one methodology to another. The commenter suggests that this will lead to subjectivity and that the Department is overstepping the IRS rules.

**STAFF RESPONSE:** Staff disagrees. The commenter points out that subsection (a) indicates that a written local estimate can be effective 90 days after the letter is received from the utility provider and that subsection (i) states that changes to a utility allowance based on a written local estimate can be implemented 90 days after the request was submitted to the Department. Owners are required to send the written local estimate into the Department for review upon receipt. Therefore, if the owner complies with that requirement, the allowance can be implemented 90 days after the letter is received from the utility provider. However, if an owner does not comply and fails to send the letter into the Department upon receipt from the utility provider, then it will not be effective until the Department and the residents have been provided 90 days to review and comment.

Regarding the comment related to subjectivity and overstepping the IRS rules, staff requested that the IRS review this proposed rule and they responded: “*We think your proposed rules are consistent with §1.42-10. Under §1.42-10(c)(1), an Agency may require additional information from the owner. There would be little need for that rule if the Agency could not deny a utility allowance for being unreasonable. Furthermore, the proposed submetering*”

*regulations, which were published in the Federal Register on Aug. 7, 2012, states that a ‘commentator asked whether State housing agencies are allowed to disapprove of certain methods for determining utility allowances listed in §1.42-10(b)(4)(ii). Existing rules address the role of State housing agencies in determining utility allowances. Thus, depending on the particular method under §1.42-10(b)(4)(ii), State housing agencies may require certain information before a method can be used, or they may disapprove use of a method.’”*

No change is recommended based on this comment.

#### **5. §10.614(l)**

**COMMENT SUMMARY:** Commenter (5) commented that the Treasury Regulation §1.42-10 only requires the letter from the provider; no back up is required. Further the commenter stated “How calculations are made is proprietary to the provider.”

**STAFF RESPONSE:** As noted above, an Agency may require additional information from an owner. Commenter (5) is not a utility provider. No utility providers have indicated that the basis for their calculation is proprietary. Staff does not recommend any change based on these comments.

#### **6. §10.614(m)**

**COMMENT SUMMARY:** Commenter (5) asked “Why is this new layer of approval being put on the owners when it is not required (required) [sic] in either Treasury Regulation §1.42-10 or the 8823 guide?”

**STAFF RESPONSE:** §10.614(m) requires owners that would like to use the HUD Utility Schedule Model, the Written Local Estimate or the Energy Consumption Model at initial lease up to obtain approval. Because the first year of the credit period is so critical, and noncompliance with the utility allowance is a systematic issue that can affect all the units as opposed to just one or a few, staff requires preapproval for these methods which, in our experience are more likely to be miscalculated than other methods. A utility allowance based on the Public Housing Authority schedule is the method that owners and managers are most familiar with and is less likely to be miscalculated. Owners of HUD regulated buildings or buildings assisted through Rural Development have an extra layer of review of their allowance from the other funding source. However, all owners may also request that the Department review and approve prior to initial lease up. Staff does not recommend any change based on this comment.

#### **7. §10.614(n)**

**COMMENT SUMMARY:** Commenter (5) commented “The owner has met their obligations by paying for the utility allowance to be prepared, notifying the residents and submitting to TDHCA for approval. Treasury Regulation §1.42-10(c) makes no provision for the owner to bear the cost of the review and approval by TDHCA or any other agency. In the case of the Energy Consumption Model the owner has already borne the cost of a licensed professional engineer to prepare and seal the allowance. Should the Department choose to outsource review why should the owner be penalized?”

**STAFF RESPONSE:** Staff requested that the IRS review this issue and they responded: “Section 1.42-10(c)(1) does say that *“the Owner must pay for all costs incurred in obtaining the estimates [for the utility company estimate under §1.42-10(b)(4)(ii)(B), the Agency estimate under §1.42-10(b)(4)(ii)(C), the HUD utility schedule model under §1.42-10(b)(4)(ii)(D), and the energy consumption model under §1.42-10(b)(4)(ii)(E)] and providing the estimates to the Agency and the tenants.”* Therefore, staff finds that the Department does have the right to outsource the review of the allowance and require the owner to bear the cost. Owners are not required to use the Energy Consumption Model. If an owner is concerned over the cost of possible outsourcing, they should consider using another method. In addition, staff is available to discuss the likelihood of a request being outsourced before the owner incurs the expense. Staff does not recommend any change based on this comment.

## **8. General**

**COMMENT SUMMARY:** Commenters (1) and (2) provided a list of inspectable items that they suggested be deleted from TDHCA inspections.

**STAFF RESPONSE:** Several of the items on the list are not part of current TDHCA inspections and therefore do not need to be deleted. To the extent that any of the items suggested are part of the Uniform Physical Condition Standards protocol, the Department cannot delete them from the inspection. Department staff has contacted the Internal Revenue Service about modifying the UPCS protocol and has been advised that “*State housing agencies are required to report ALL observed noncompliance, regardless of whether the noncompliance is subsequently corrected. Note that there are no exceptions for “de minimis” or “beyond the owner’s control,” or anything else....Further, failure to report all observed noncompliance would mean that the agency is noncompliant with the requirements under Treas. Reg. 1.42-5, i.e., the agency is not complying with IRC 42(m)(1)(B)(iii).*” Staff does not recommend any change based this comments.

The Board approved the adoption of the rule on November 7, 2013.

**STATUTORY AUTHORITY.** The new section is proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

**§10.601.Compliance Monitoring Objectives and Applicability.**

(a) The objectives of the Department in performing regular monitoring of affordable rental housing are:

- (1) To provide for monitoring that meets applicable requirements of:
  - (A) The U. S. Department of Housing and Urban Development (HUD);
  - (B) The U. S. Department of the Treasury (Treasury);
  - (C) The Internal Revenue Service (the "IRS"); and
  - (D) Applicable state laws and rules;
- (2) To enable the Department to report information to HUD, Treasury, the IRS, and the Governing Board, as required, regarding the condition and operations of such developments;
- (3) To enable the Department to communicate with responsible persons regarding the condition and operation of their developments and understand clearly, with a documented record, how they are performing in meeting their obligations;
- (4) To identify matters of noncompliance so that they can be appropriately addressed and to assist in targeting issues that may require compliance assistance education;
- (5) To ensure that responsible persons understand the compliance status of their developments and the implications of such status;
- (6) To articulate and communicate clear standards to promote the maintenance and operation of such developments in a manner that meets the high standards of the Department's affordable rental programs; and
- (7) To provide a transparent system whereby all interested parties, including tenants, community organizations, local governmental entities, and the affordable housing industry, may find accountability, consistency, and an awareness of the high quality standards of affordable housing in the State of Texas.

(b) This subchapter applies to the monitoring of affordable rental housing under the programs described in paragraphs (1) - (7) of this subsection:

- (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 Tax Credit Assistance Program (TCAP);
- (6) The Tax Credit Exchange Program (Exchange); and
- (7) The Neighborhood Stabilization Program (NSP).

(c) There are two key aspects of ongoing monitoring activity, the physical condition of the developments and whether they are being operated in documented compliance with program requirements.

(d) The results of the Department's monitoring activities will be timely and properly documented.

(e) The Department may contract with an independent third party to monitor a Development during its construction or rehabilitation and during its operation for compliance with any conditions imposed by the Department in connection with the award of any Department funds, including allocations of housing tax credits, and appropriate state and federal laws.

#### **§10.602. Notice to Owners and Corrective Action Periods.**

(a) The Department will provide written notice to the Owner if the Department does not receive the Annual Owner Compliance Report (AOCR) or if the Department 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, this subchapter, or other program rules and regulations, including §42 of the Internal Revenue Code.

(b) For a violation other than a violation that poses an imminent hazard or threat to health and safety, the notice will specify a thirty (30) day corrective action period for failure to file the AOCR and a ninety (90) day corrective action period for other violations. During the corrective action period, the Owner has the opportunity to show that either the Development was never in noncompliance or that the event of noncompliance has been corrected. Documentation of correction must be received during the corrective action period for an event to be considered corrected during the corrective action period. The Department may extend the corrective action period for up to six (6) months from the date of the notice to the Development Owner only if there is good cause for granting an extension and the owner requests an extension during the original ninety (90) day corrective action period.

(c) If any communication to the 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 Owner. The Owner is responsible for providing the Department with current contact information, including address(es) (physical and electronic) and phone number(s). The 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).

(d) Treasury Regulations require the Department to notify Housing Tax Credit Owners of upcoming reviews and instances of noncompliance. The Department will rely solely on the information supplied by the Owner in the Department's web-based Compliance Monitoring and Tracking System (CMTS) to meet this requirement. It is the Owner's sole responsibility to ensure such information is current, accurate, and complete. Correspondence sent to the email or physical address shown in CMTS will be deemed delivered to the Owner. Correspondence from the Department may be directly uploaded to the property's CMTS account using the secure



electronic document attachment system. Once uploaded, notification of the attachment will be sent electronically to the email address listed in CMTS. The Department is not required to send a paper copy and if it does so it does as a voluntary and non-precedential courtesy only.

(e) Unless otherwise required by law, events of noncompliance will not be reported to the IRS, referred for enforcement action, considered cause for debarment, or reported in an applicant's compliance history or previous participation review, until after the end of the corrective action period established in the notice described in this section.

#### **§10.603. Notices to the Internal Revenue Service (HTC Developments during the Compliance Period).**

(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.

(c) The Department will send the Owner of record copies of any IRS Forms 8823 submitted to the IRS. Copies of Forms 8823 may be submitted to the syndicator provided that the Department has the correct contact information.

#### **§10.604. Options for Review.**

(a) If, during the corrective action period, an Owner supplies evidence of continual compliance, the issue of noncompliance will be dropped and no further action will be taken, i.e., for HTC properties, IRS Form 8823 will not be filed with the IRS.

(b) If, following the submission of corrective action documentation, Compliance staff continues to find the Owner in noncompliance, the Owner may request or initiate review of the matter using the following options, where applicable:

(1) If the issue is related to the inclusion or exclusion of tenant income, assets or appropriate household size, the National Center for Housing Management (NCHM) can be contacted. In order to obtain guidance from NCHM, the requestor must have an active Certified Occupancy Specialist designation. If no representative of the owner has this designation, Department staff may make the request on the owner's behalf.

(2) If the compliance matter is related to the Housing Tax Credit program, owners may contact the IRS Program Analyst for guidance or request that Department staff contact the IRS for general guidance without identifying the taxpayer. The issue will be handled in accordance with the guidance received from the IRS.

(3) If the compliance matter is related to the HOME or NSP program, owners may contact the U.S. Department of Housing and Urban Development Texas Field Office for guidance. The issue will be handled in accordance with guidance received from HUD.

(4) Owners may request review by the Department's Compliance Committee, as set out in §10.605 of this chapter (relating to Compliance Committee).

(5) Owners may request Alternative Dispute Resolution (ADR). An Owner may send a proposal to the Department's Dispute Resolution Coordinator to initiate ADR pursuant to §1.17 of this title (relating to Alternative Dispute Resolution and Negotiated Rulemaking). Note that even if the Department and Owner are engaged in ADR, the Department must meet Treasury Regulation §1.42-5 and file IRS 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 when a IRS Form 8823 is filed. Should this happen, the form, including all Owner-supplied documentation, will be sent to the IRS with an explanation that the Owner disagrees with the Department's assessment and is pursuing ADR. Although the violation will be reported to the IRS within the required timeframes, it will not be considered part of an applicant's compliance history nor subject to administrative penalties pending the ADR process.

#### **§10.605.Compliance Committee.**

(a) The Compliance Committee is a committee of three to five persons appointed by the Executive Director. The Compliance Committee is established to provide independent review of certain compliance issues as provided by this section. Staff from the Legal and the Compliance Division will not be appointed to the committee but will be available to provide guidance to Department staff.

(b) Informal discussion with Compliance Monitoring staff. If the responsible person has questions or disagreements regarding any compliance issues, they should first try to resolve them by discussing them with the Compliance Monitoring staff, including, as needed, the Chief of Compliance.

(c) Informal discussion with the Compliance Committee. A responsible person may request an informal meeting with the Compliance Committee if the informal discussion with the Compliance Monitoring staff did not resolve the issue.

(d) Compliance Committee Process and Timeline.

(1) At any time, the responsible person may call or request an informal conference with the Compliance Monitoring staff and/or the Chief of Compliance.

(2) If a call or an informal conference with the Compliance Monitoring staff does not result in a resolution of the issue, the responsible person may, within thirty (30) days of the call or informal conference with Compliance Monitoring staff, request a meeting with the Compliance Committee.

(3) If timely requested in accordance with this section, the Compliance Committee will hold an informal conference with the responsible person. A responsible person should not offer evidence, documentation, or information to the Committee that was not presented to Compliance Monitoring staff during the informal staff conference. If additional information is offered, the Committee may disallow the information or refer the matter back to Compliance Monitoring staff to allow review of the additional information prior to any consideration by the Committee.

(4) If a meeting with the Compliance Committee does not result in a resolution, matters related to a compliance requirement, other than those required by federal regulation, may be appealed directly to the Board.

#### **§10.606.Contract and 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 Owner maintains compliance with applicable accessibility laws and amenities as required in the Development's Land Use Restriction Agreement.

(b) Owners are required to submit evidence of final construction 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.

(c) The Department will conduct a final inspection after receipt of notification of final construction. During the inspection, the Department will confirm that committed amenities have been provided and will inspect for compliance with the applicable accessibility laws. In addition, a Uniform Physical Condition Standards inspection may be completed.

(d) IRS Form(s) 8609 and final retainage will not be released until the Owner receives written notice from the Department that all noted deficiencies have been resolved.

#### **§10.607.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.

(b) Each Development is required to submit an Annual Owner's Compliance Report (AOCR). Depending on the Development, some or all of the Report must be submitted. The first AOCR is due the second year following the award in accordance with the deadlines set out in subsection

(d) of this section. Example 607(1): A Development was allocated Housing Tax Credits in July 2011. The first report is due April 30, 2013, even if the Development has not yet commenced leasing activities.

(c) The AOCR is comprised of five parts:

(1) Part A "Owner's Certification of Program Compliance." All Owners must annually certify compliance with applicable program requirements. The AOCR Part A shall include answers to all questions required by the U. S. Department of the Treasury to be addressed, including those required by Treasury Regulation 1.42-5(b)(1) or the applicable program rules. HTC Developments during their Compliance Period will also be required to provide the contact information of the syndicator in the Annual Owner's Compliance Report;

(2) Part B "Unit Status Report." All Developments must annually report and certify the information related to individual household income, rent, certification dates and other necessary data to ensure compliance with applicable program regulations. In addition, Owners are required to report on the race and ethnicity, family composition, age, use of rental assistance, disability status, and monthly rental payments of individuals and families applying for and receiving assistance or if the household elects not to disclose the information, such election;

(3) Part C "Housing for Persons with Disabilities." The Department is required to 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 certified answers to the questions on Part C satisfy this requirement;

(4) Part D "Owner's Financial Certification." Developments funded by the Department must annually provide and certify the data requested in the Owner's Financial Certification; and

(5) Part E "Form 8703." Tax exempt bond properties must file Form 8703 each calendar year of the qualified project period. The form is due to the IRS by March 31 after the close of the calendar year for which the certification is made. The Department requires Tax Exempt Bond Development Owners to submit a copy of the filed Form 8703 for the preceding calendar year.

(d) Parts A, B, C, D and E of the Annual Owner's Compliance Report must be provided to the Department no later than April 30th of each year, reporting data current as of December 31st of the previous year (the reporting year).

(e) Periodic Unit Status Reports. All Developments must submit a Quarterly Unit Status report to the Department through the Compliance Monitoring and Tracking System. Quarterly reports are due in January, April, July, and October on the 10th day of the month. The report must report 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 of the preceding month. The first quarterly report is due on the first quarterly reporting date after leasing activity commences.

(f) 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 alter the reporting schedule and require all Developments to provide current occupancy data through CMTS.

(g) 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.

(h) Exchange developments must submit IRS Form(s) 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). If an Owner elects to group buildings together into one or more multiple building projects, the owner must attach a statement identifying the buildings in the project. An owner may request to change the election made on line 8(b) only once during the Compliance Period. The request will be treated as non-material amendment, subject to the fee described in §10.901 of this chapter (relating to Fee Schedule) and the process described in §10.405 of this chapter (relating to Amendments and Extensions).

#### **§10.608.Record Keeping Requirements.**

(a) Development Owners must comply with program recordkeeping requirements. Records must include sufficient information to comply with the reporting requirements of §10.607 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 and executed contracts or Land Use Restriction Agreements. 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 (6) 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 (6) 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 NSP and HOME rental Developments must comply with the provisions of 24 CFR §92.508(c), which generally requires retention of rental housing records for five (5) years after the Affordability Period terminates.

(e) Housing Trust Fund (HTF) rental Developments must retain tenant files for at least three (3) 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 (5) 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.

(g) All required records must be made available on site when an onsite monitoring occurs.

#### **§10.609. Notices to the Department.**

If any of the events described in paragraphs (1) - (5) of this section occur, written notice must be provided to the Department within the respective timeframes:

(1) Written notice must be provided at least thirty (30) days prior to any proposed sale, transfer, or exchange of the Development or any portion of the Development, and the Department must give its prior written approval to any such sale, transfer, or exchange, which will include a previous participation review on the proposed new ownership;

(2) Notification must be provided within thirty (30) days following the event of any casualty loss, in whole or in part, to the Development, 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 on which 10 percent of the Units are occupied and the date on which 50 percent of the Units are occupied, and notice must occur within ninety (90) days of such dates;

(4) Within thirty (30) days after a foreclosure, the Department must be provided with documentation evidencing the foreclosure and a rent roll establishing occupancy on the day of the foreclosure; and

(5) Within ten (10) days of a change in the contact information (including contact persons, physical addresses, mailing addresses, email addresses and/or phone numbers) for the Ownership entity, management company, and/or Development the Department's Compliance Monitoring and Tracking System must be updated.

#### **§10.610. Tenant Selection Criteria.**

(a) Owners must maintain written tenant selection criteria. The criteria cannot:

(1) Exclude an individual or family from admission to the Development solely because the individual or family participates in the HOME Tenant Based Rental Assistance Program, the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437f), or other federal rental assistance program;

(2) Use 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. However, if a family's share of the rent is \$50 or less, Owners may require a minimum annual income of \$2,500; and

(3) In accordance with the Violence Against Women Reauthorization Act of 2013, deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

(b) The criteria must:

(1) State 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) Be reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease; and

(4) For all elderly Developments, must specify age requirements and demonstrate a commitment to operate the Development as Housing for Older Persons. Units in a Development as Housing for Older Persons may not lease units to households not meeting the criteria of qualified elderly except as expressly permitted by written guidance from HUD.

(c) Owners of HOME Developments must also:

(1) Provide any rejected applicant written notification of the grounds for rejection within thirty (30) days; and

(2) Maintain a written waiting list and select tenants from the waiting list in chronological order, insofar as is practicable.

#### **§10.611.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 administered by HUD, using the definitions of annual income described in 24 CFR §5.609 as further described in the HUD Handbook 4350.3 as amended from time to time. For the Housing Tax Credit program, where there is a conflict between the HUD Handbook 4350.3 and the IRS Guide for Completing IRS Form 8823, the IRS guidance will be controlling. 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. Certification and documentation of household income is an Owner responsibility, even if the Owner is using a manager's services to handle tenant intake and leasing. Accordingly, Owner's should ensure that they hire competent and properly trained managers and that they exercise appropriate oversight of any manager's activities.

(b) For the initial certification of a household residing in a HOME unit at a Development committed HOME funds after August 23, 2013, owners must examine at least 2 months of

source documents evidencing annual income (e.g. wage statement, interest statement, unemployment compensation).

#### **§10.612.Tenant File Requirements.**

(a) At the time of program designation as a low-income household, typically at initial occupancy, Owners must create and maintain a file that at a minimum contains:

(1) A Department approved Income Certification form signed by all adults. 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. 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;

(2) Documentation to support the Income Certification form including, but not limited to, applications, first hand or third party verification of income and assets, and documentation of student status (if applicable). 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. Owners should scrutinize these documents to identify and address any obvious attempts at forgery, alteration, or generation of falsified documents;

(3) A lease with all necessary addendums to ensure that compliance with applicable federal regulations and §10.613 of this chapter (relating to Lease Requirements); and

(4) The Department's Fair Housing Disclosure Notice form. This notice must be presented to the household at the time of application for occupancy and must be executed no more than one hundred twenty (120) days prior to the effective date of the lease. This requirement pertains to all households taking initial occupancy of a low-income unit on a Development administered by the Department including households transferring within the same Development. If the household is not provided this notice prior to move in or transfer, the Department will consider the event corrected if the Fair Housing Disclosure Notice is provided to the household no more than one hundred twenty (120) days and no less than thirty (30) days prior to the date that the household is legally obligated to provide written notice of their intention to terminate or renew their current lease.

(b) Annually thereafter:

(1) Throughout the Affordability Period, all Owners of Housing Tax Credit, TCAP and Exchange Developments must collect and maintain current data on each household that includes the number of household members, age, ethnicity, race, disability status, rental amounts and rental assistance (if any). This information can be collected on the Department's Annual Eligibility Certification form or the Income Certification form or HUD Income Certification form or USDA Income Certification form.



(2) During the Compliance Period for all Housing Tax Credit, TCAP, and Exchange Developments and throughout the affordability period for all Bond developments and HOME Developments committed funds after August 23, 2013, Owners must collect and maintain current student status data for each low-income household. This information can be collected on the Department's Annual Eligibility Certification or the Department's Certification of Student Eligibility form or the Department's Income Certification form. Throughout the Compliance Period for HTC, TCAP, and Exchange developments, low-income households comprised entirely of full-time students must qualify for a HTC program exception, and supporting documentation must be maintained in the household's file. For Bond developments, if the household is not an eligible student household, it may be possible to redesignate the full-time student household to an Eligible Tenant (ET). For HOME Developments committed funds after August 23, 2013, an individual does not qualify as a low-income or very low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR §5.612.

(3) The types of properties described in subparagraphs (A) - (D) of this paragraph are required to recertify annually the income of each low-income household using a Department approved Income Certification form and documentation to support the Income Certification (see subsection (a)(1) - (2) of this section):

(A) Mixed income Housing Tax Credit, TCAP and Exchange projects (as defined by line 8(b) of IRS Form(s) 8609 and accompanying statements, if any) that have not completed the fifteen (15) year Compliance Period;

(B) All Bond developments with less than 100 percent of the units set aside for households with an income less than 50 percent or 60 percent of area median income.

(C) HTF Developments with Market Rate units. However, HTF Developments with other Department administered programs will comply with the requirements of the other program. Example 612(1): If a Development is mixed income HTF and 100 percent low-income HTC, all households must be certified at move in. Then, once a calendar year, the Owner must collect the data required by and in accordance with the paragraphs (1) and (2) of this subsection.

(D) HOME Developments. Refer to subsection (c) of this section.

(c) Ongoing tenant file requirements for HOME Developments:

(1) HOME Developments must complete a recertification with verifications of each HOME assisted Unit every sixth year of the Development's affordability period. The recertification is due on the anniversary of the household's move-in date. 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 years of the affordability determined in Example 612(2):

(A) Year 1: May 15, 2001 - May 14, 2002;

- (B) Year 2: May 15, 2002 - May 14, 2003;
- (C) Year 3: May 15, 2003 - May 14, 2004;
- (D) Year 4: May 15, 2004 - May 14, 2005;
- (E) Year 5: May 15, 2005 - May 14, 2006;
- (F) Year 6: May 15, 2006 - May 14, 2007;
- (G) Year 7: May 15, 2007 - May 14, 2008;
- (H) Year 8: May 15, 2008 - May 14, 2009;
- (I) Year 9: May 15, 2009 - May 14, 2010;
- (J) Year 10: May 15, 2010 - May 14, 2011;
- (K) Year 11: May 15, 2011 - May 14, 2012; and
- (L) Year 12: May 15, 2012 - May 14, 2013.

(2) In the scenario described in paragraph (1) of this subsection, all households in HOME Units must be recertified with source documentation during the sixth and twelfth years or between May 15, 2006, to May 14, 2007, and between May 15, 2012, and May 14, 2013.

(3) In the intervening years the Development must collect a self certification by the effective date of the original Income Certification from each household that is assisted with HOME funds, Example 612(3): a household moved into a HOME unit on June 10, 2010, the household's self certification must be completed by June 10, 2011, and the household must be recertified with source documentation effective June 10, 2012. The Development must use the Department's 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. If the household reports on their self certification that their annual income exceeds 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 an annual income recertification with verifications is required.

#### **§10.613. Lease Requirements.**

(a) Eviction and/or termination of a lease. For HTC Developments, IRS 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 and NSP Developments, the HOME Final Rule (and as adopted by Texas NSP) 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). Owners must also comply with all other lease requirements and prohibitions stated in 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 must use a lease or lease addendum that requires households to report changes in student status.

(e) Owners of HTC Developments are prohibited from locking out or threatening to lock out any Development resident, except by judicial process, unless the exclusion is necessary for the purpose of performing repairs or construction work, or in cases of emergency. Owners are further prohibited from seizing or threatening to seize the personal property of a resident except by judicial process unless the resident has abandoned the premises. These prohibitions must be included in the lease or lease addendum.

(f) For HOME and NSP Developments, properties that were initially built for occupancy prior to 1978 must include in their lease or lease addendum a Lead Warning Statement. To demonstrate compliance, the Department will monitor that, all households at HOME and NSP Developments have signed the Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards. (24 CFR §92.355 and §570.487(c))

(g) All Owners shall comply with the lease requirements found in Section 601 of the Violence Against Women Reauthorization Act of 2013 ("VAWA 2013"). In general, owners may not construe an incident of actual or threatened domestic violence, dating violence, sexual assault, or stalking as a serious or repeated violation of a lease term by the victim or threatened victim or as good cause for terminating tenancy. However, in accordance with VAWA 2013, owners may bifurcate a lease to terminate the tenancy of an individual who is a tenant or lawful occupant and engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against another lawful occupant living in the unit or other affiliated individual as defined in the VAWA 2013.

(h) Leasing of HOME units by organizations that, in turn, rent those units to individuals is not permissible for HOME developments committed funding after August 23, 2013.

(i) Housing Tax Credit units leased to an organization through a supportive housing program where the owner receives a rental payment for the unit regardless of physical occupancy will be

found out of compliance if the unit remains vacant for over 30 days. The unit will be found out of compliance under the finding "Violation of the Unit Vacancy Rule."

(j) It is a Development Owner's responsibility at all times to know what it has agreed to provide by way of common amenities, unit amenities, and services.

(k) A Development Owner shall provide each household, at the time of execution of an initial lease and whenever there is a subsequent change in common amenities, unit amenities, or required services, a notice describing those amenities and services.

(l) The notice required under subsection (k) of this section must also contain the following:

(1) "The Texas Department of Housing and Community Affairs (the "Department") is responsible for monitoring this Development for compliance with any land use restriction agreement setting forth required common amenities, unit amenities, or services in connection with programs administered by the Department."; and

(2) The Department contact information including the mailing address, website and toll free phone number.

#### **§10.614.Utility Allowances.**

(a) The Department will monitor to determine if Developments 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 or equal to the allowable limit. For HOME, Bond, HTF, and NSP 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.

(b) An Owner may not change utility allowance methods or start charging residents for a utility without prior written approval from the Department. Example 614(1): A Housing Tax Credit Development has been paying for water and sewer since the beginning of the Compliance Period. In year 8, the Owner decides to require residents to pay for water and sewer. Prior written approval from the Department is required. Any such request must include the Utility Allowance Questionnaire found on the Department's website and supporting documentation. The Department will respond by approving or denying within ninety (90) days of the date on which the party making the request has completed the questionnaire and provided all required

supporting documentation and responded to any Department requests for clarification or additional information.

(c) Rural Housing Services (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.

(d) HUD-Regulated buildings layered with any Department program. If neither the building nor any tenant in the building receives RHS rental assistance payments, and the rents and the utility allowances of the building are reviewed by HUD (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.

(e) HOME units at HOME developments committed funds after August 23, 2013 must use the HUD Utility Schedule Model. The utility allowance will be calculated by the Department on an annual basis and provided to the Owner with a deadline for implementation.

(f) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the methods described in paragraphs (1) - (5) of this subsection:

(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.

(A) 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 614(2): 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 buildings, ten of which are Apartments (5+ units) and the other ten buildings are Duplexes. The Owner must use the correct schedule for each building type.

(B) In the event the PHA publishes a utility allowance schedule specifically for energy efficient units, and the Owner desires to use such a schedule, the Owner must demonstrate that the building(s) meet the housing authority's specifications for energy efficiency once every five (5) years.

(C) 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.

(D) 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.

(E) In general, 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. In the event the property is located in an area without a clear municipal or county housing authority the Department may permit the use of another housing authority's utility allowance schedule on a case by case basis. Prior approval from the Department is required and the owner must obtain approval on an annual basis.

(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 Schedule Model. A utility estimate can be calculated by using the "HUD Utility Schedule Model" that can be found at <http://www.huduser.org/portal/resources/utlmodel.html> (or successor Uniform Resource Locator). Each item on the schedule must be displayed out to two decimal places. The total allowance must be rounded up to the next whole dollar amount. 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 Compact Disc or flash drive, within the timeline described in subsection (h) 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. Use of the Energy Consumption Model is limited to the building's consumption data for the twelve

(12) month period ending no earlier than sixty (60) days prior to the beginning of the ninety (90) day period and utility rates used must be no older than the rates in place sixty (60) days prior to the beginning of the ninety (90) day period. In the case of a newly constructed or renovated building with less than twelve (12) months of consumption data, the qualified professional may use consumption data for the twelve (12) month period from units of similar size and construction in the geographic area in which the building containing the units is located. 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; and

(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."

(g) For a Development Owner to use the Actual Use Method they must:

(1) Provide a minimum sample size of usage data for at least 5 Continuously Occupied Units of each Unit Type or 20 percent of each Unit Type whichever is greater. Example 614(3): A Development has 20 three bedroom/one bath Units, and 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 of the three bedroom/one bath Units, and sixteen of the three bedroom/two bath Units. If there are less than five Units of any Unit Type, data for 100 percent of the Unit Type must be provided;

(2) Scan the information in subparagraphs (A) - (E) of this paragraph onto a CD and submit it to the Department no later than the beginning of the ninety (90) day period after 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 614(4): 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 month of the twelve (12) month period 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; and

(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 guidelines described in subparagraphs (A) - (E) of this paragraph;

(A) If data is obtained for more than 20 percent of all units or there are more than 5 of a 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 18 two bedroom/one bath Units, and 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; and

(E) If the data submitted indicates zero 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; and

(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.

(h) Effective dates. If the Owner uses the methodologies as described in subsection (c), (d), or (f)(1) of this section, any changes to the allowance can be implemented immediately, but must be implemented for rent due at least ninety (90) days after the change. For methodologies as described in subsection (f)(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.

(i) Requirements for Annual Review.

(1) RHS and HUD-Regulated Buildings. Owners must demonstrate that the utility allowance has been reviewed annually and in accordance with the RHS or HUD regulations.

(2) Buildings using the PHA Allowance. Owners are responsible for periodically determining if the applicable PHA released an updated schedule to ensure timely implementation. When the allowance changes or a new allowance is made available by the PHA, it can be implemented immediately, but must be implemented for rent due ninety (90) days after the change.

(3) HOME Developments committed funds after August 23, 2013. On an annual basis, the Department will calculate the utility allowance using the HUD Utility Schedule Model.

(4) Written Local Estimate, HUD Utility Model Schedule and Energy Consumption Model. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than October 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review. At the same time the update is submitted to the Department, the Owner must post the utility allowance estimate in a common area of the leasing office at the Development. The Department will review the request for compliance with all applicable requirements and reasonableness. If, in comparison to other approved utility allowances for properties of similar size, construction and population in the same geographic area, the allowance does not appear reasonable or appears understated, the Department may require additional support and/or deny the request. If approved, changes to the allowance can be implemented ninety (90) days after the request was submitted to the Department and provided to the residents.

(5) Actual Use Method. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than August 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review.

(j) Combining Methodologies. With the exception of HUD regulated buildings, HOME units at HOME Developments committed funds after August 23, 2013 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.

(k) Increases in Utility Allowances for Developments with HOME or NSP 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 (HTC) Developments.

(l) The Owner shall maintain and make available for inspection by the tenant, the data, underlying assumptions and methodology that was used to calculate the allowance. 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 Owner and tenant.

(m) If Owners want to utilize the HUD Utility Schedule Model, the Written Local Estimate or the Energy Consumption Model to establish the initial utility allowance for the Development, no more than one hundred eighty (180) days and no less than ninety (90) days prior to the commencement of leasing activities, the Owner must submit utility allowance documentation for Department approval. This subsection does not preclude an Owner from changing to one of these methods after commencement of leasing in accordance with subsection (b) of this section.

(n) The Department reserves the right to outsource to a third party the review and approval of all or any utility allowance requests to use the Energy Consumption Model or when review requires the use of expertise outside the resources of the Department. In accordance with Treasury Regulation §1.42-10(c) any costs associated with the review and approval shall be paid by the Owner.

#### **§10.615.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 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 100 percent HTC Developments (developments with all units restricted to income eligible persons at restricted rents) 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 the 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 Development 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 the 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 Development is leased to a household with an income and rent less than the 40 percent limit; and

(3) Households initially certified at the 50 percent income and rent limits. Households will maintain the 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 is leased to a household with an income and rent less than the 50 percent limit.

(c) Mixed Income HTC Developments with Market Units will be monitored as described in paragraphs (1) and (2) of this subsection:

(1) The HTC program requires Mixed Income projects 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 projects 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 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 from the initial certification provided that the Owner does not charge gross rent in excess of the additional rent and occupancy rent limit;

(B) 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 must be leased in a manner so as to meet the Development's additional rent and occupancy restrictions; and

(C) 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 and the Next Available Unit Rule must be followed. Example 615(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 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. Example 615(2): If a Development is required to lease 10 units at the 40 percent income and rent levels and has satisfied the requirement, the owner is not required to offer the 40 percent rent to other households, even if their income is less than the 40 percent income limit.

(d) Units at 80 percent area median income and rent on HTC developments. In certain years, the Department's Qualified Allocation Plan provided incentives to lease 10 percent of the development's Market Rate units to households at 80 percent income and rents. This section provides guidance for implementation. If the LURA requires 10 percent of the Market Rate units be leased to households at 80 percent income and rent limits, the owner must certify the 80 percent households at the time of move in only. Recertifications will not be required. Student rules do not apply to units occupied by 80 percent households. Noncompliance with the requirement to lease to 80 percent households is not reportable to the IRS on IRS Form 8823 but will be cited as noncompliance under the event "Development failed to meet additional state required rent and occupancy restrictions."

#### **§10.616. Household Unit Transfer Requirements for All Programs.**

(a) The requirements and restrictions regarding household transfers for HTC, Exchange, and TCAP Developments are based on whether the project is 100 percent low-income or mixed income and if the owner elected to treat buildings in the project as part of a multiple building project. To determine if a Development is a multiple building project, refer to the election on IRS Form(s) 8609 line 8(b) and accompanying statements (if any). If IRS Form(s) 8609 have not yet been issued by the Department and filed by the owner, each building is its own project.

(1) 100 percent low-income multiple building projects: Households may transfer to any unit in a 100 percent low-income multiple building project and retain their program designation. The household does not need to be and should not be certified at the time of transfer. The move in date remains the date the household was first designated under the program.

(2) Each building is its own project (100 percent low-income and mixed income projects). To retain its low-income status, at the time of transfer, a household must be certified and have a current annual income less than the income limit established by the minimum set aside the owner selected.

(3) Mixed income multiple building projects: Low-income households retain their program designation when they transfer to any unit in the multiple building project if at the last annual certification their income was less than 140 percent of area median income level set by the minimum set aside.

(b) Household transfers for Bond, HTF, HOME, and NSP. For Bond, HTF, HOME, and NSP Developments, households may transfer to any Unit within the Development. A certification is not required at the time of transfer. If the Development is required to perform annual income recertifications, the recertification is due on the anniversary date the household originally moved onto the Development. If the Development is layered with Housing Tax Credits, you are required to use the transfer guidelines described in subsection (a) of this section (relating to Household Unit Transfer Requirements).

(c) Household Transfers in the Same Building for all Programs. A Household may transfer to a new Unit within the same building (for the HTC program within the meaning of IRS Notice 88-91). The unit designations will swap status. Example 616(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.

#### **§10.617.Affirmative Marketing Requirements.**

(a) Owners of Developments with 5 or more total units must use an Affirmative Fair Housing Marketing Plan 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, veterans, Hispanic or Latino groups, persons with disabilities, families with children, or persons with different religious affiliations. Owners are encouraged to use HUD Form 935.2A, and may use any version of this form as applicable.

(b) The Affirmative Marketing Plan must identify:

- (1) Which group(s) the Owner believes are least likely to apply for housing at the Development without special outreach;
- (2) Organizations and groups in the area that serve persons with disabilities; and
- (3) Certain HTC Developments must include methods for informing veterans about the availability of units.

(c) When identifying racial/ethnic minority groups the Development will market to, factors such as the characteristics of the housing's market area should be considered. Example 617(1): An Owner obtains census data showing that 6.5 percent of the city's total population is Asian Americans. However, the Owner's demographic data for the Development shows that zero 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.

(d) The Affirmative Marketing Plan must identify specific media and community contacts that reach those groups designated as least likely to apply. At minimum, contact must be made

annually but more frequent contact is encouraged. Community outreach contacts may include neighborhood, minority, veteran's organizations, 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 617(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 adults with developmental disabilities. Additionally, the Owner will advertise upcoming vacancies in a monthly newsletter circulated by an organization serving the hearing impaired.

(e) The Owner must assess the success of Affirmative Marketing efforts by annually reviewing the Development's demographics in relation to the housing area. The plan must be updated every five (5) years to fully capture demographic changes in the housing's market area.

(f) Owners must maintain records of marketing efforts which will be reviewed by the Department during onsite monitoring visits. Example 617(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.

(g) If a Development does not have any vacant units, Affirmative Marketing is still required and Owners must maintain a waiting list. If a Development does not have any vacancies and the waiting list is closed, Affirmative Marketing is not required until a new vacancy occurs or the waitlist is opened.

#### **§10.618.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 Developments, other than those described in subsection (b)(1) of this section, as leasing commences;
- (3) Subsequent reviews at least once every three (3) 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); and

(6) Reviews, meetings, and other appropriate activity in response to complaints or investigations.

(c) The Department will perform onsite file reviews and monitor:

(1) 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

(4) Any additional aspects of the Development or its operation that the Department deems necessary or appropriate.

(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 alleged or suspected noncompliance is received, the Department reserves the right to conduct unannounced onsite monitoring visits.

#### **§10.619.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 beginning with the second onsite review, and must be submitted to the Department upon request. Example 619(1): The Owner's LURA requires provision of onsite 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. Example 619(2): The Owner's LURA requires a monetary amount to be expended on a monthly

basis for supportive services. The Owner maintains a copy of an agreement with a Supportive Service provider and documents the amount expended as evidence that this requirement is being met.

(b) A substantive modification of the scope of tenant services requires Board approval. Such requests must comply with procedures in §10.405 of this chapter (relating to Amendments and Extensions). 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.

(c) If the Development's LURA requires a monthly expenditure for the provision of services, the Department will monitor to confirm compliance. Includable costs to support the expenditure include those costs directly related to providing the service(s). Such costs can include, but are not limited to, the cost of contracting the services with a qualified provider, cost of notification of such services (for example, a monthly newsletter), other costs that can be documented and would only be incurred as a result of the service. An Owner cannot include any costs related to the normal expense of maintaining or operating a Development, utility bills of any kind, in-kind contributions or services, cleaning or contracted janitorial services, office supplies, cost of copier or fax, costs incurred for maintenance of machinery, or volunteer hours. This list is not inclusive, but any other costs identified by the Owner shall be reviewed for consistency with this subsection.

#### **§10.620. 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 whether this requirement is being met throughout the development phase and ongoing operations of the Development. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB so participating is in good standing with the Texas Comptroller of Public Accounts, Texas Secretary of State and/or IRS as applicable and that it is actually materially participating in a manner that meets the requirements of the IRS. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.

(b) If an Owner wishes to change the participating non-profit or HUB, prior written approval from the Department is necessary. The Annual Owner's Compliance Report also requires Owners to certify to compliance with this requirement. In addition, the IRS will be notified if the non-profit is not materially participating on a HTC Development during the Compliance Period.

(c) The Department does not enforce partnership agreements or other agreements between third parties or determine fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction or other agreed resolution among the parties.

#### **§10.621. 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.

(b) HTC 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 is required to report any HTC Development that fails to comply with any requirements of the UPCS or local codes at any time during the compliance period to the IRS on IRS Form 8823. Accordingly, the Department will submit IRS Form 8823 for any UPCS violation.

(d) 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. Acceptable documentation includes: copies of work orders (listing the deficiency, action taken or repairs made to correct the deficiency, date of corrective action, and signature of the person responsible for the correction), invoices (from vendors, etc.), or other proof of correction. Photographs are not required but may be submitted if labeled and only in support of a work order or invoice. The Department will determine if submitted materials satisfactorily document correction of noncompliance.

(e) 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 may be inspected. No deficiencies will be cited for inspectable items that require utility service, if utilities are turned off and the inspectable item is present and appears to be in working order.

(f) The Department will consider a request for review of a UPCS score using a process similar to the process established by the U. S. Department of Housing and Urban Development Real Estate Assessment Center. The request must be submitted in writing within forty-five (45) calendar days of receiving the initial UPCS inspection report and score.

(g) Examples of items that can be adjusted include but are not limited to:

(1) Building Data Errors--The inspection includes the wrong building, or a building that is not owned by the Development.

(2) Unit Count Errors--The total number of units considered in scoring is incorrect as reported at the time of the inspection.

(3) Non-Existent Deficiency Errors--The inspection cites a deficiency that did not exist at the time of the inspection.

(4) Local Conditions and Exceptions--Circumstances include inconsistencies between local code requirements and the UPCS inspection protocol, such as conditions permitted by local variance or license (e.g., child guards allowed on sleeping room windows by local building codes) or preexisting physical features that do not conform to or are inconsistent with the Department's physical condition protocol.

(5) Ownership Issues--Items that were captured and scored during the inspection that are not owned and/or not the responsibility of the Development. Examples include sidewalks, roads, fences, retaining walls, and mailboxes owned and maintained by adjoining properties or the city/county/state and resident-owned appliances that are not maintained by the Owner.

(6) Modernization Work In Progress--Developments undergoing extensive modernization work in progress, underway at the time of the physical inspection, may qualify for an adjustment. All elements of the unit that are not undergoing modernization at the time of the inspection (even if modernization is planned) will be subject to the Department's physical inspection protocol without adjustment. Any request for a Database adjustment for modernization work in progress must include proof the work was contracted before any notice of inspection was issued by the Department.

(h) Examples of items that cannot be adjusted include but are not limited to:

(1) Disagreements over the severity of a defect, such as deficiencies rated Level 3 that the Owner believes should be rated Level 1 or 2;

(2) Deficiencies that were repaired or corrected during or after the inspection; or

(3) Deficiencies recorded with no associated point loss (for example, inoperable smoke detectors) or deficiencies for survey purposes only (for example, fair housing accessibility).

#### **§10.622.Special Rules Regarding Rents and Rent Limit Violations.**

(a) Rent or Utility Allowance Violations of the maximum allowable limit for the HTC program. 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 owner must correct the violation by reducing the rent charged. The Department will report the violation as corrected on January 1st of the year following the violation. 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 under the HTC program. If Owners agreed to additional rent and occupancy restrictions, the Department will monitor to confirm compliance. If noncompliance is discovered, the Department will require the Owner to restore compliance by refunding (not a credit to amounts owed the Development) any excess rents to a sufficient number of households to meet the set aside. Example 622(1): A 100 unit development is required to lease 10 units to households at the 30 percent income and rent limits. The utility allowance is miscalculated resulting in overcharged rents. Fifteen households have an income under 30 percent. The owner must refund 10 of these households.

(c) Rent Violations of the maximum allowable limit due to application fees under the HTC program. 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.

(1) The amount of time Development staff spends checking an applicant's income, credit history, and landlord references may be included in the Development's application fee. Development Owners may add up to \$5.50 per Unit for their other out of pocket costs for processing an application without providing documentation. Example 622(2): A Development's out of pocket cost for processing an application is \$17.00 per adult. The property may charge \$22.50 for the first adult and \$17.00 for each additional adult. Should an Owner desire to include a higher amount to cover staff time, prior approval is required and wage information and a time study must be supplied to the Department.

(2) 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 Development pays a flat monthly fee to a third party for credit or criminal background checks, Owners must calculate the appropriate fee to be charged applicants by using the total number of applications processed, not just approved applications. 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 Forms 8823 under the category "gross rent(s) exceeds tax credit limits." The noncompliance will be corrected on January 1st of the next year.

(3) Owners are not required to refund the overcharged fee amount. To correct the issue, owners must reduce the application fee for prospective applicants. Once the fee is reduced for prospective applicants, the Department will report the affected units back in compliance on January 1st of the year after they were overcharged the application fee.

(d) Rent or Utility Allowance Violations on Non-HTC Developments, HTC development after the Compliance Period, and foreclosed HTC properties for three years after foreclosure. If it is determined that the Development 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 monies 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 disbursed as required by Texas unclaimed property statutes.

(f) Rent Adjustments for HOME Developments:

(1) 100 percent HOME assisted Developments. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to 30 percent of the household's adjusted income;

(2) HOME Developments with any Market Rate units. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to the lesser of 30 percent of the household's adjusted income or the comparable Market rent; and

(3) HOME Developments layered with other Department affordable housing programs. If a household's income exceeds 80 percent at recertification, the owner must charge rent equal to the lesser of 30 percent of the household's adjusted income or the rent allowable under the other program.

(g) Special conditions for NSP Developments. 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.

(h) Employee Occupied Units (HTC and HTF Developments). IRS Revenue Rulings 92-61 and 2004-82 provide guidance on employee occupied units. Provided that all the criteria in the Rulings are met, if the Owner of the Development does not charge the employee for rent, the unit will be removed from the numerator and denominator of the applicable fraction to determine compliance. If the owner charges the employee any amount of rent, the Department will evaluate the eligibility of the household. If the household's income exceeds the maximum allowable limit or there is any other noncompliance, the event will be cited and reported to the IRS on IRS Form 8823 as appropriate. Owners must ensure that additional rent and occupancy restrictions are maintained even if units are leased to employees.

#### **§10.623. 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 Development 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 Developments using the criteria detailed in paragraphs (1) - (13) of this subsection:

(1) The frequency and depth of monitoring household income, rents, social services and other requirements of the LURA will be determined based on risk. Factors will include changes in ownership or management, compliance history, timeliness of reports and timeliness of responses to Department request;

(2) At least once every three (3) years the property will be physically inspected including the exterior of the Development, all building systems and 10 percent of Low-Income Units. No less than five but no more than thirty-five of the Development's HTC Low-Income Units will be physically inspected to determine compliance with HUD's Uniform Physical Condition Standards;

(3) Each Development shall submit an annual report in the format prescribed by the Department;

(4) Reports to the Department must be submitted electronically as required in §10.607 of this chapter (relating to Reporting Requirements);

(5) Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA;

(6) 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, in which case the other program's certification form will be accepted;

(7) Rents will remain restricted for all HTC 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. Any excess rent collected must be refunded;

(8) All additional income and rent restrictions defined in the LURA remain in effect;

(9) For Additional Use Restrictions, defined in the LURA (such as supportive services, nonprofit participation, elderly, etc), refer to the Development's LURA to determine if compliance is required after the completion of the Compliance Period;

(10) The Owner shall not terminate the lease or evict low-income residents for other than good cause;

(11) The total number of required HTC Low-Income Units must be maintained Development wide;

(12) Owners may not charge fees for amenities that were included in the Development's Eligible Basis; and

(13) Owners must continue to collect and report data in accordance §10.612(b)(1) of this chapter (relating to Tenant File Requirements).

(c) After the first fifteen (15) years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) - (6) 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. If a Development markets to students or leases more than 15 percent of the total number of units to student households, the property will be found in noncompliance unless the LURA is amended through the Material Amendments procedures found in §10.405 of this chapter (relating to Amendments).

(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) All households, regardless of income level or 8609 elections, will be allowed to transfer between buildings within the Development;

(4) The Department will not monitor the Development's application fee after the Compliance Period is over; and

(5) Mixed income Developments are not required to conduct annual income recertifications. However, Owners must continue to collect and report data in accordance §10.613 of this chapter (relating to Lease Requirements).

(6) The Department will not monitor whether rent is being charged for an employee occupied unit.

(d) While the requirements of the LURA may provide additional requirements, right and remedies to the Department or the tenants, the Department will monitor post year fifteen (15) in accordance with this section as amended.

(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.

### **§10.624.Events of Noncompliance.**

Figure: 10 TAC §10.624 lists events for which a multifamily rental development may be found to be in noncompliance for compliance monitoring purposes. This list is not an exclusive list of events and issues for which an Owner may be subject to an administrative penalty, debarment or other enforcement action. The first column of the chart identifies the noncompliance event. The second column indicates to which program(s) the noncompliance event applies. The last column indicates if the issue is reportable on IRS Form 8823 for HTC Developments.

Figure: 10 TAC §10.624

<b>Noncompliance Event</b>	<b>Program(s)</b>	<b>If HTC, on Form 8823?</b>
Violations of the Uniform Physical Condition Standards	All Programs	Yes
Noncompliance related to Affirmative Marketing requirements described in §10.617 of this chapter	All Programs	No
Development is not available to the general public because of leasing issues	HTC	Yes
TDHCA has received notice of possible Fair Housing Act Violation from HUD or DOJ and reported general public use violation in accordance with IRS 8823 Audit Guide Chapter 13	HTC	Yes
TDHCA has referred unresolved Fair Housing Design and Construction issue to the Texas Workforce Commission Civil Rights Division	All programs	No
Property has gone through a foreclosure	All programs	Yes
Property is never expected to comply due to failure to report or allow monitoring	All programs	yes
Owner did not allow on-site monitoring or failed to notify residents resulting in inspection cancelation	All programs	Yes
LURA not in effect	All programs	Yes
Project failed to meet minimum set aside	HTC and Bonds	Yes

<b>Noncompliance Event</b>	<b>Program(s)</b>	<b>If HTC, on Form 8823?</b>
No evidence of, or failure to certify to material participation of a non-profit or HUB, if required by LURA	HTC	Yes, if non-profit issue, No if HUB issue
Development failed to meet additional state required rent and occupancy restrictions	All programs	No
Noncompliance with social service requirements	HTC and Bond	No
Development failed to provide housing to the elderly as promised at application	All programs	No
Failure to provide special needs housing as required by LURA	All programs	No
Changes in Eligible Basis or Applicable percentage	HTC	Yes
Failure to submit all or parts of the Annual Owner's Compliance Report	All programs	Yes for part A, No for other parts
Failure to submit quarterly reports as required by §10.607	All programs	No
Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation §1.42-10	All programs	Yes if rent exceeds limit, no if related to noncompliance with other requirements, such as posting, updating etc.
Noncompliance with lease requirements described in §10.613 of this subchapter	All programs	No
Asset Management Division has reported that Development has failed to establish and maintain a reserve account in accordance with §10.405 of this chapter	All programs	No



<b>Noncompliance Event</b>	<b>Program(s)</b>	<b>If HTC, on Form 8823?</b>
Failure to provide a notary public as promised at application	HTC	No
Violation of the Unit Vacancy Rule	HTC	Yes
Casualty Loss	All programs	Yes
Failure to provide pre-onsite documentation	All programs	No
Failure to provide amenity as required by LURA	HTC	No
Failure to pay asset management, compliance monitoring or other required fee	HTC, TCAP, Bond, Exchange and HOME Developments committed funds after August 23, 2013	No
Change in ownership without department approval (other than removal of a general partner in accordance with §10.406 of this chapter)	All programs	No
Failure to provide fair housing disclosure notice	All programs	No
Noncompliance with tenant selection requirements described in §10.610 of this subchapter	All programs	No, unless finding is because Owner refused to lease to Section 8 households
Program Unit not leased to Low-Income household	All programs	Yes
Program unit occupied by nonqualified full-time students	HTC during the Compliance Period, Bond and HOME developments committed funds after August 23, 2013	Yes
Low-Income units used on a transient basis	HTC and Bond	Yes

<b>Noncompliance Event</b>	<b>Program(s)</b>	<b>If HTC, on Form 8823?</b>
Violation of the Available Unit Rule	All programs, but only during the Compliance Period for HTC, TCAP and Exchange	Yes
Gross rent exceeds the highest rent allowed under the LURA or other deed restriction	All programs	Yes
Failure to provide Tenant Income Certification and documentation	All programs	Yes
Unit not available for rent	All programs	Yes
Failure to collect data required by §10.612(b)(1) and/or §10.612(b)(2)	HTC, TCAP Exchange and Bond	No
Development evicted or terminated the tenancy of a low-income tenant for other than good cause	HTC, HOME and NSP	Yes
Household income increased above 80 percent at recertification and Owner failed to properly determine rent	HOME	NA
Violation of the Integrated Housing Rule	All programs	No
Failure to resolve final construction deficiencies within corrective action period	All programs	No
Noncompliance with the accessibility requirements of §504 of the Rehabilitation Act of 1973	HOME, NSP and HTC properties awarded after 2001	No

**§10.625.Liability.**

Compliance with the program requirements, including compliance with §42 of the Code, 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 Code, the Fair Housing Act, §504 of the Rehabilitation Act of 1973, HOME program regulations, Bond program requirements, and any other laws, regulations, requirements, or other programs monitored by the Department.

**§10.626. Temporary Suspensions of Sections of this Subchapter.**

(a) Subject to the limitations stated in this section, temporary suspensions of sections of this subchapter may be granted by the Executive Director if there are extenuating circumstances which make it not possible or an undue administrative burden to comply with a requirement of this subchapter as long as substantial compliance is still in effect. For example, the Executive Director could suspend the requirement to report online or use Department approved forms, or alter the sample size for calculating a utility allowance using the actual use method.

(b) Under no circumstances can the Executive Director, the Compliance Committee, the Administrative Penalty Committee or the Board suspend for any period of time compliance with the HOME Final Rule or regulations issued by HUD or any other federal agency when required by federal law.

(c) Under no circumstances can the Executive Director, the Compliance Committee, the Administrative Penalty Committee or the Board suspend for any period of time Treasury Regulations, IRS publications controlling the submission of IRS Form 8823, or any sections of 26 U.S.C. §42.

**TDHCA MAXIMUM RENT LIMITS**  
2004 - 2013

**TDHCA YEARLY RESTRICTED RENTS**

**2004 Maximum Rent Limits**

**% Increase  
From Prior Year**

MSA Houston

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

**2005 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2006 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2007 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2008 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	344	412	476	532
40%	458	550	635	709
50%	573	687	794	886
60%	687	825	953	1063

0.19%
0.14%
0.11%
0.09%

**2009 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	358	431	498	555
40%	478	574	663	740
50%	598	717	829	925
60%	717	861	995	1110

4.32%
4.37%
4.40%
4.42%

**2010 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	366	439	508	567
40%	488	588	677	756
50%	610	732	846	945
60%	732	879	1016	1134

2.16%
2.16%
2.16%
2.16%

**2011 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	371	445	514	574
40%	495	594	686	766
50%	618	742	858	957
60%	742	891	1029	1149

1.23%
1.32%
1.27%
1.32%

**2012 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	376	452	522	582
40%	502	603	696	777
50%	628	753	870	971
60%	753	904	1044	1165

1.39%
1.44%
1.46%
1.39%

**2013 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	376	452	522	582
40%	502	603	696	777
50%	628	753	870	971
60%	753	904	1044	1165

0.00%
0.00%
0.00%
0.00%

Note that rents actually went down in 2013 however for existing properties the holdharmless provision kept them flat.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Gross Potential Rent	\$1,115,196									
Misc. Income	\$16,800									
Garage and Storage	\$0									
Gross Income	\$1,131,996									
Vacancy @ 7.5%	\$84,900									
Resident Income	\$1,047,096	\$ 1,068,038	\$ 1,089,399	\$ 1,111,187	\$ 1,133,411	\$ 1,156,079	\$ 1,179,201	\$ 1,202,785	\$ 1,226,840	\$ 1,251,377
Income	\$1,047,096	\$ 1,068,038	\$ 1,089,399	\$ 1,111,187	\$ 1,133,411	\$ 1,156,079	\$ 1,179,201	\$ 1,202,785	\$ 1,226,840	\$ 1,251,377
Operating Expenses										
@ \$5,000.00 Unit	\$700,000	\$ 721,000	\$ 742,630	\$ 764,909	\$ 787,856	\$ 811,492	\$ 835,837	\$ 860,912	\$ 886,739	\$ 913,341
NOI	\$347,096	\$ 347,038	\$ 346,769	\$ 346,278	\$ 345,555	\$ 344,587	\$ 343,364	\$ 341,873	\$ 340,101	\$ 338,036
Debt Service	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784
Cash Flow After Debt Service	\$59,312	\$59,254	\$58,985	\$58,494	\$57,770	\$56,803	\$55,580	\$54,089	\$52,317	\$50,252
DSCR Ratio	1.206	1.206	1.205	1.203	1.201	1.197	1.193	1.188	1.182	1.175

Income Growth Assumption	2%
Expense Growth Assumption	3%
Unit Mix for Maximum Scoring:	40% 50's & 10% 30's
Interest Rate:	6.00%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Gross Potential Rent	\$1,115,196									
Misc. Income	\$16,800									
Garage and Storage	\$0									
Gross Income	\$1,131,996									
Vacancy @ 7.5%	<u>\$84,900</u>									
Resident Income	\$1,047,096	\$ 1,057,567	\$ 1,068,143	\$ 1,078,824	\$ 1,089,613	\$ 1,100,509	\$ 1,111,514	\$ 1,122,629	\$ 1,133,855	\$ 1,145,194
Income	\$1,047,096	\$ 1,057,567	\$ 1,068,143	\$ 1,078,824	\$ 1,089,613	\$ 1,100,509	\$ 1,111,514	\$ 1,122,629	\$ 1,133,855	\$ 1,145,194
Operating Expenses										
@ \$5,000.00 Unit	<u>\$700,000</u>	<u>\$ 721,000</u>	<u>\$ 742,630</u>	<u>\$ 764,909</u>	<u>\$ 787,856</u>	<u>\$ 811,492</u>	<u>\$ 835,837</u>	<u>\$ 860,912</u>	<u>\$ 886,739</u>	<u>\$ 913,341</u>
NOI	<u>\$347,096</u>	<u>\$ 336,567</u>	<u>\$ 325,513</u>	<u>\$ 313,915</u>	<u>\$ 301,756</u>	<u>\$ 289,017</u>	<u>\$ 275,677</u>	<u>\$ 261,717</u>	<u>\$ 247,116</u>	<u>\$ 231,853</u>
Debt Service	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>
Cash Flow After Debt Service	\$59,312	\$48,783	\$37,729	\$26,131	\$13,972	\$1,233	-\$12,107	-\$26,067	-\$40,668	-\$55,932
DSCR Ratio	1.206	1.170	1.131	1.091	1.049	1.004	0.958	0.909	0.859	0.806

Income Growth Assumption	1%
Expense Growth Assumption	3%
Unit Mix for Maximum Scoring:	40% 50's & 10% 30's
Interest Rate:	6.00%

## Public Comments/Compliance

### ***Suggestions for Excluding Certain Items During Unit Inspection***

All units are in good, working condition when a resident moves in. The units are completely painted, cleaned, the carpet is steam cleaned and all unit equipment repaired or replaced before a resident moves in. This is industry standard and also a provision in the lease contract they sign at move in. The resident is given a "Move In Condition Form" at move in to record anything wrong or damaged in their unit. They are required to return the form to the office, which is kept on file and will be compared to the unit condition at move out. The items listed below do not affect or hamper a resident's living, health or habitability and we have no control over these issues. The lease requires the tenant(s) to be responsible for the habitability issues within their units. HUD has a website noted below showing examples of many of these issues and more than likely the issues found on the inspections do not rise to the level noted as violations by HUD:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/realprodcts/pass/materials](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/realprodcts/pass/materials).

### **UNIT INSPECTABLE ITEMS THAT ARE SUGGESTED TO BE DELETED FROM TDHCA INSPECTIONS**

***lights out*** anywhere in the apartment - light bulbs are all working when resident moves in and is their responsibility to replace as stated in the lease

***interior wall painting*** - all units are completely painted before a resident moves in

***range hood/stove with excessive grease*** - all units are cleaned before a resident moves in

***clothes, other items laying around*** - resident issue/housekeeping

***holes in the walls*** if less than 2 square inches - resident damage, does not impact their habitability—see attached picture

***towel rack missing or damaged*** - resident responsibility, it was in good condition before move in and it does affect their habitability

***finger prints/crayons marks on walls*** - resident responsibility/damage

***cracked window pane (still functioning as designed)*** - resident damage, not there at move in, and does not impact their habitability - glass is replaced when broken

***broken/cracked light cover*** - if still covering the wires, no need to replace

***excessive dirty dishes in sink*** - clean at move in, resident responsibility

***stove light out*** - resident responsibility, light was working at move in

***missing sink stopper*** - it was there at move in

***cabinet surfaces not clean*** - clean before move in, resident responsibility

***screen bent or with small hole*** - if still functioning no need to replace - resident responsibility if damaged, does not impact their habitability

***mini blind damage*** - resident responsibility, they were in good condition at move in

***animal feces from pets laying around*** - residents responsibility

***bags of trash inside unit*** - resident issue, we have no legal right or lease clause allowing us to remove it

***food storage areas not clean*** - clean before move in, resident responsibility

**spots/stains on carpet** - resident damage and responsibility  
**mold/mildew on tub or around window sills** - resident dirt, housekeeping—  
**see attached picture**— Mold including mildew on bathtubs - if less than 10 sq. ft., no issue besides cleaning. <http://epa.gov/mold/moldguide.html#who>  
**Infestation/roaches** - resident housekeeping - all units are sprayed 1x per quarter plus whenever the resident calls and requests service  
**sharp/unsafe resident items laying around** - resident issue, it is questionable whether the landlord has the legal right to remove any of the residents property without their permission  
**tripping hazard such as cable, computer or TV cords** - resident issue - it is questionable whether a landlord has the legal right to move any of the resident's belongings inside the unit without the resident's permission  
**furniture blocking egress** - resident issue - it is questionable whether a landlord has the legal right to move any of the resident's belongings inside the unit without the resident's permission—**see attached picture**

**EXTERIOR ITEM THAT IS SUGGESTED TO BE DELETED FROM TDHCA INSPECTIONS**

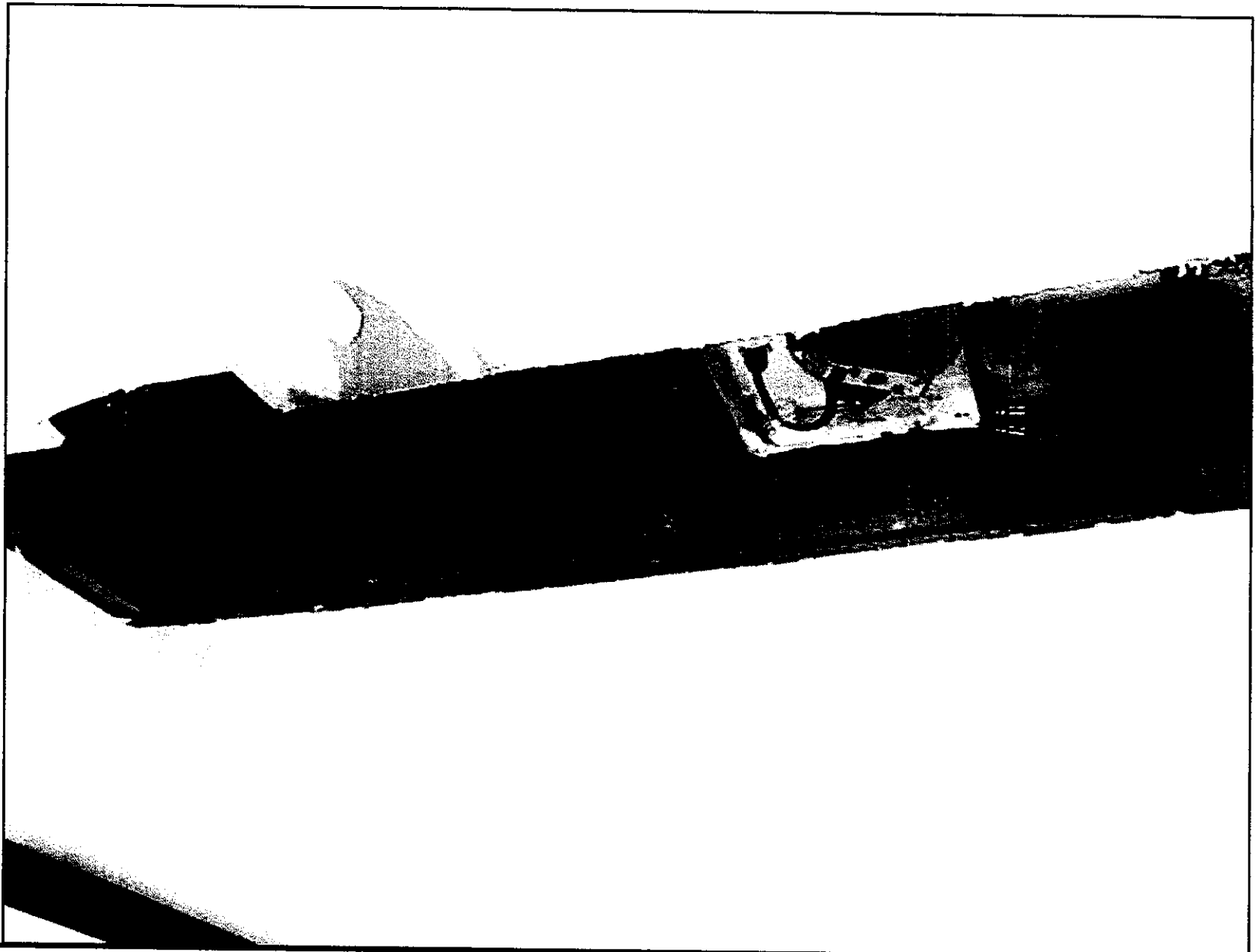
**Overgrown vegetation from a neighbor's property**—as long as such does not impact the common areas, amenities or the buildings—question of a legal right to cut someone else's trees and vegetation – **see attached picture**

Section 1.5 (c)(2) of the previous participation rule should be modified by : A report of any instance(s) of noncompliance that have been corrected within the last three (3) years, but that were not corrected within the applicable period for corrective action *unless such item could not have been corrected and the procedure causing such violation has been corrected. (This will cover issues such as a violation of a fair housing form which can't be corrected and should not remain forever on one's record).*

In instances where an owner owns multiple properties, the number of violations should be divided by the number of properties such owner owns when comparing violations to other owners with violations. One owning 20 properties with 10 violations going to EARAC is a lesser violator compared to someone owning one property with two violations.



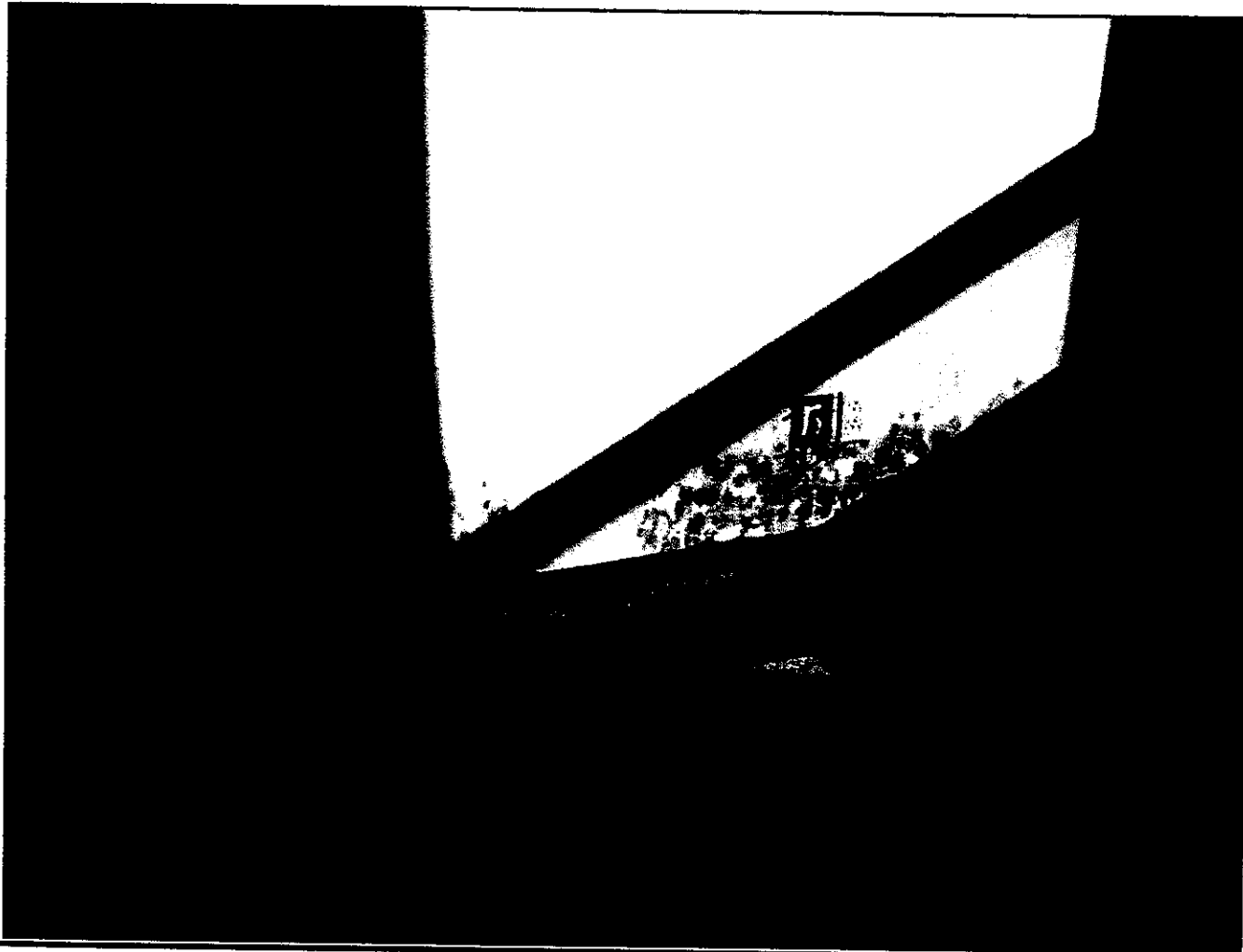
**UNIT**



**INFO: You can see through to the unit above.**

**DEF: Holes/Missing Tiles/Panels (Ceiling) - L3**

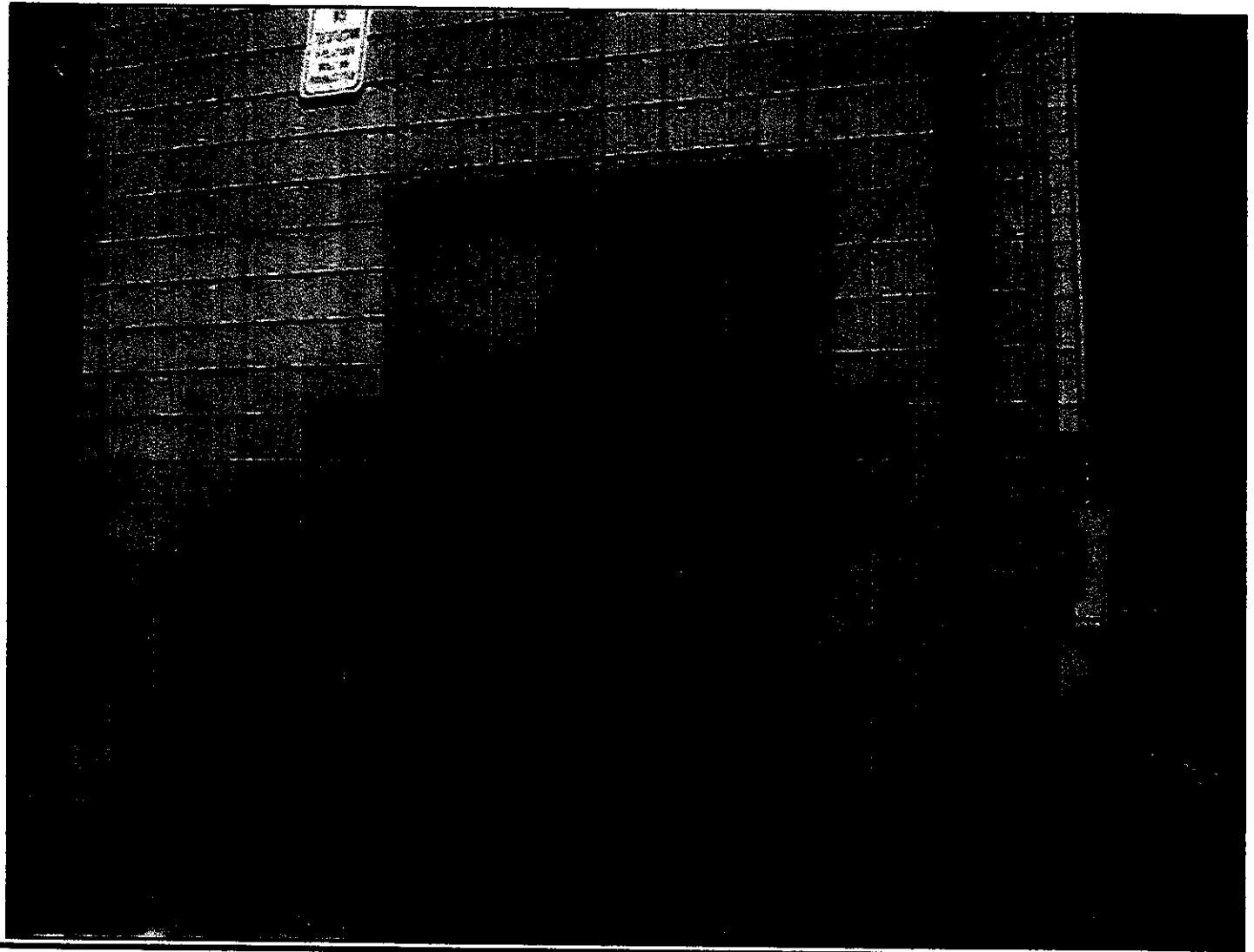
**UNIT**



**INFO:** While in this unit you observe mildew on the walls covering more than 4 square feet. The piece of the wall shown is 8' long by 8' high.

**DEF:** Water Stains/Water Damage/Mold/Mildew (Walls) – L2 Health and Safety - Air Quality/Mold and or Mildew Observed

# HEALTH & SAFETY



**INFO:** The property owner mentions that this window is one of the two means of egress from this bedroom window.

**DEF:** Building Exterior - Emergency/Fire Exits  
- Blocked/Unusable

**SITE**



**INFO: Walkway is unusable and impassable.**

**DEF: Overgrown/Penetrating Vegetation (Grounds) - L3**



7887 San Felipe #122, Houston, TX 77063  
Ph. 713-977-2476 Fax 713-784-3985

October 25, 2013

TDHCA – Compliance  
221 East 11<sup>th</sup> Street  
Austin, TX 78711-3941

Re: Public Comment on Staff Draft of Compliance Rules, Specifically Section 10.614 Utility Allowances

To Whom It May Concern:

In Section 10.614 (a), it states "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*" (emphasis mine).

I believe that it should read "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 or equal to the allowable limit."

From my understanding, if we calculate tenant rents the way we've always done (per guidance from TDHCA to subtract the utility allowance and mandatory fees from the maximum allowable rent to determine the tenant rent), our tenant rents would be *equal to* the maximum allowable rent, which is not "less than" the allowable rent and would therefore be out of compliance.

Thank you for your consideration of this wording change.

A handwritten signature in black ink, appearing to be 'Abby Allen', with a long horizontal flourish extending to the right.

Abby Allen  
Compliance Monitor  
TPG Property Management, LLC  
Phone: 918-419-2649  
Email: [abby.allen@theproggroup.com](mailto:abby.allen@theproggroup.com)

## Patricia Murphy

---

**From:** Jen Joyce [jen.joyce@capstonemanagement.com]  
**Sent:** Monday, October 28, 2013 1:54 PM  
**To:** Patricia Murphy (patricia.murphy@tdhca.state.tx.us)  
**Subject:** Compliance Rule Comment

Hi Patricia,

Sorry, I'm that person now, the one who used to drive me crazy and waits until the last possible day to give you public comment on the rules. J

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**§10.612(a)(4) -- Fair Housing Disclosure Form:** We did an open records request relating to this form. We learned that out of the 545 reviews performed by TDHCA since this form was required, 177 properties were issued the finding of Failure to provide the Fair Housing Disclosure, so 33% of all properties monitored were issued this finding. This is incredibly high, and probably a low number compared to reality, because for several months after the form was required TDHCA staff were only picking move-ins prior to the form's required implementation date.

While we appreciate the changes made to this section's draft, we are concerned that it is still unreasonably difficult to correct a finding. Also, the rule does not allow for "skips" on a lease or early move-outs without the owner being in noncompliance with TDHCA in perpetuity. We recommend that you revise the rule as follows (or in a way that captures the spirit of the following language):

(4) The Department's Fair Housing Disclosure Notice form. This notice must be presented to the household at the time of application for occupancy and must be executed no more than one-hundred twenty (120) days prior to the effective date of the lease. This requirement pertains to all households taking initial occupancy of a low-income unit on a Development administered by the Department including households transferring within the same Development. If the household is not provided this notice prior to move in or transfer, the Department will consider the event corrected if the Fair Housing Disclosure Notice is provided to the household no more than one-hundred twenty (120) days ~~and no less than thirty (30) days~~ prior to the date that the household is legally obligated to provide written notice of their intention to terminate or renew their current lease, or the date a qualified household occupies the unit as long as the Fair Housing Disclosure Notice is provided to the new household.

**§10.613(k) and (l) – New Requirement to Notify Tenants of Amenities and Services:** We respectfully request that you delete these new sections to remove this new requirement for owners to notify tenants of amenities and services. In order to comply with the LURA requirements for amenities and services, properties are already notifying tenants through ongoing marketing efforts. When TDHCA monitors a property, they

ensure that all properties make all amenities accessible to all households, and they also test to ensure that residents are aware of and are using supportive services. Therefore, this new requirement is unnecessary.

Additionally, we believe that new households moving onto affordable properties are already bombarded with an excessive amount of required paperwork, which can be both scary and confusing. This new requirement would only add to the amount of paperwork, and given the highly-technical language required in the notice, it will potentially confuse applicants.

Okay, that's all. Thank you!

**Jen Joyce**

Director of Affordable Housing Compliance, HCCP, COS

**Capstone Real Estate Services, Inc.** | 210 Barton Springs Road, Ste 300 | Austin, TX 78704

512-646-6700 office | 512-646-6785 direct | 512-646-6798 fax

[jen.joyce@capstonemanagement.com](mailto:jen.joyce@capstonemanagement.com) | [www.capstonemanagement.com](http://www.capstonemanagement.com)



# DIAMOND PROPERTY CONSULTANTS, Inc.

Traditional and Alternative Services for Property Owners and Managers

2113 Kings Pass, Heath, TX 75032 Phone: (972) 475-9977 Fax: (972) 771-8288 E-mail: information@dpcservices.net

October 28, 2013

VIA EMAIL to [patricia.murphy@tdhca.state.tx.us](mailto:patricia.murphy@tdhca.state.tx.us)

AND

VIA FAX to (512) 475-3359, 3 pages

Patricia Murphy  
Texas Department of Housing and Community Affairs  
Rule Comments  
P.O. Box 1394  
Austin, Texas 78711-3941

## **RE: Public Comment Response to TDHCA Proposed Compliance Rules, 10 TAC Chapter 10 Subchapter F Compliance Monitoring**

Dear Ms. Murphy,

This is the public comment response from Diamond Property Consultants, Inc. (DPC) to the proposed compliance monitoring rules published in the Texas Register on September 27, 2013, with comments due October 28, 2013.

§10.614. Utility Allowances.

### **Language from Proposed Compliance Rules:**

(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;

COMMENT #1: The section highlighted in Yellow complies with Treasury Regulation §1.42-10, that the utility allowance must be used after the 90 day period to compute gross rents. The language in the Proposed Compliance Rules listed below, "(i) Requirements for Annual Review. (4) Written Local Estimate, HUD Utility Model Schedule and Energy Consumption Model.", contradict the requirements of Treasury Regulation §1.42-10 and the highlighted portion of the Proposed Compliance Rules above. See Comment #2 below for clarification.

### **Language from Proposed Compliance Rules:**

(i) Requirements for Annual Review.

(4) Written Local Estimate, HUD Utility Model Schedule and Energy Consumption Model. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than October 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review. At the same time the update is submitted to the Department, the Owner must post the utility allowance estimate in a common area of the leasing office at the Development. The Department will review the request for compliance with all applicable requirements and reasonableness. If, in comparison to other approved utility allowances for properties of similar size, construction and population in the same geographic area, the allowance does not appear reasonable or appears understated, the Department may require additional support



and/or deny the request. If approved, changes to the allowance can be implemented ninety (90) days after the request was submitted to the Department and provided to the residents.

COMMENT #2:

- A. If, in comparison to other approved utility allowances for properties of similar size, construction and population in the same geographic area, the allowance does not appear reasonable or appears understated, the Department may require additional support and/or deny the request.

Comments:

- “applicable requirements and reasonableness. If in comparison”: Statement to review the request for compliance with applicable requirements is accurate. Add period after “requirements”.
- There are five distinct methods an owner may choose from to calculate the utility allowances
- There is no provision within Treasury Regulation §1.42-10 or Chapter 18 of the 8823 Guide to COMPARE numbers from one methodology to the other for REASONABLENESS.
- This is where the proposed rules appear to be overstepping the IRS rules and allowing for SUBJECTIVITY.
- Department is to review for Compliance with existing rules, not make comparisons with other methods or properties.
- For Example, using the Local Provider Estimate, Per 8823 Guide, Page 18-4, Owner has complied with requirements once Department has been notified and 90 day notice has been posted at property. The owner is REQUIRED to use the new allowance for first rental period after 90 day period: “The utility allowance is “obtained” when the building owner receives, *in writing*, information from the utility company providing the estimated per unit cost of the utility. Receipt of the information from the utility company begins the 90-day period after which the new utility allowance must be used to compute gross rents.”

- B. If approved, changes to the allowance can be implemented ninety (90) days after the request was submitted to the Department and provided to the residents.

Comments:

- “If approved”: Except in case of Actual Use/Agency Methodology, the Department should only be reviewing for compliance with regulations, not reviewing and approving the utility allowance numbers, i.e.: as in case of Local Provider Method.
- As noted in Comment #1, in the case of the Written Local Provider Estimate this contradicts the language in the Proposed Compliance Rules and Treasury Regulation §1.42-10 “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.”. The owner “must” use obtained allowance from the provider after the 90 day period. What if the TDHCA approval is not received in that timeframe or the Department deems the allowance not “reasonable”? The owner is out of compliance with either the IRS if they don’t implement the allowance after the 90 day period or with TDHCA if they don’t get approval within the 90 day period.

**Language from Proposed Compliance Rules:**

(l) The Owner shall maintain and make available for inspection by the tenant, the data, underlying assumptions and methodology that was used to calculate the allowance. 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 Owner and tenant.

COMMENT #3:

- PHA Allowances: is PHA going to be required to submit data and assumptions?
- Local Provider Method: letter is the only required documentation/data. How calculations are made is proprietary to the provider.
- Treasury Regulation §1.42-10(b)(4)(ii)(B): “The owner of the building must make available copies of the utility company estimate to the tenants in the building.”
  - o Provider has complied with requirements by supplying letter signed by authorized representative and including required language of component charges.
  - o No further back-up is required.

**Language from Proposed Compliance Rules:**

(m) If Owners want to utilize the HUD Utility Schedule Model, the Written Local Estimate or the Energy Consumption Model to establish the initial utility allowance for the Development, no more than one hundred eighty (180) days and no less than ninety (90) days prior to the commencement of leasing activities, the Owner must submit utility allowance documentation for Department approval. This subsection does not preclude an Owner from changing to one of these methods after commencement of leasing in accordance with subsection (b) of

this section.

COMMENT #4: The 8823 guide states: “First Year of the Credit Period

No review is required until the building has achieved 90 percent occupancy for a period of 90 consecutive days, or by [at] the end of the first year of the credit period, whichever is earlier.” Up until now TDHCA has stated that the owner could choose to open the property with one of the approved methods and no up front approval was necessary. The annual review provisions would apply for the subsequent calendar years. Approval was only required for a switch in methodologies. Why is this new layer of approval being put on the owners when it is not required in either Treasury Regulation §1.42-10 or the 8823 guide?

**Language from Proposed Compliance Rules:**

(n) The Department reserves the right to outsource to a third party the review and approval of all or any utility allowance requests to use the Energy Consumption Model or when review requires the use of expertise outside the resources of the Department. In accordance with Treasury Regulation §1.42-10(c) any costs associated with the review and approval shall be paid by the Owner.

COMMENT #5: The 8823 Guide states “The building owner must pay all the costs incurred in obtaining the estimates from a utility company or state/local housing credit agency, HUD’s Utility Schedule Model, or an energy consumption model. The building owner also bears the costs of notifications to the tenants and state/local agency.” The owner has met their obligations by paying for the utility allowance to be prepared, notifying the residents and submitting to TDHCA for approval. Treasury Regulation §1.42-10(c) makes no provision for the owner to bear the cost of the review and approval by TDHCA or any other agency. In the case of the Energy Consumption Model the owner has already borne the cost of a licensed professional engineer to prepare and seal the allowance. Should the Department choose to outsource review why should the owner be penalized?

We respectfully request a written response to these comments. Please send them to:

James Beats  
Diamond Property Consultants, Inc.  
2113 Kings Pass  
Heath, TX 75032  
Fax# (972) 771-8288  
Email: [jbeats@dpcservices.net](mailto:jbeats@dpcservices.net)

Thank you in advance for taking the time to consider these comments. Please contact me directly with any questions at (972) 475-9977 ext. 101.

Sincerely yours,



James Beats – President

3b

**BOARD ACTION REQUEST**

**COMPLIANCE DIVISION**

**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on an order adopting the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures, §1.5, concerning Previous Participation Reviews, and adopting new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.5 concerning Previous Participation Reviews

**RECOMMENDED ACTION**

**WHEREAS**, the Board approved the proposed repeal and new Previous Participation Rule to be published in the *Texas Register* for public comment at the September 12, 2013, Board meeting and the public comment period has ended.

**NOW, therefore, it is hereby**

**RESOLVED**, that the Board adopts the repeal of 10 TAC §1.5 concerning Previous Participation Reviews and new 10 TAC §1.5 concerning Previous Participation Reviews, and orders that the Executive Director and his designees be and each of them are hereby authorized, empowered and directed, for and on behalf of the Department, to publish the adoption of the repeal of 10 TAC §1.5, concerning Previous Participation Reviews, and new 10 TAC §1.5, concerning Previous Participation Reviews in the *Texas Register* and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing.

**BACKGROUND**

The Board approved the proposed Previous Participation Reviews, 10 TAC Chapter 1, Subchapter A, §1.5 at the September 12, 2013, Board meeting to be published in the *Texas Register* for public comment. The Previous Participation Review Rule was available for public comment from September 28, 2013, through October 28, 2013.

In keeping with the requirements of the Administrative Procedures Act, staff has reviewed all comments received and provided a reasoned response to these comments.

**Attachment 1: Preamble and repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.5.**

The Texas Department of Housing and Community Affairs (the “Department”) adopts the repeal of 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.5, concerning Previous Participation Reviews without changes to the text as published in the September 27, 2013, issue of the *Texas Register* (38 TexReg 6417) and will not be republished.

REASONED JUSTIFICATION. This rule is being repealed to improve the Department’s process for reviewing an applicant’s previous participation and to incorporate legislative changes to Texas Government Code §2306.6719. The adoption of a new Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.5 is published concurrently with this repeal in this issue of the *Texas Register*.

The Department accepted public comments between September 28, 2013, and October 28, 2013. Comments regarding the repeal were accepted in writing and by fax. No comments were received concerning the repeal.

The Board approved the final order adopting the repeal on November 7, 2013.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

§1.5. Previous Participation Review.

## **Attachment 2. Preamble, Reasoned Response and new Rule**

The Texas Department of Housing and Community Affairs (the “Department”) adopts new 10 TAC Chapter 1, Administration, Subchapter A, General Policies and Procedures §1.5, concerning Previous Participation Reviews with changes to the proposed text as published in the September 27, 2013, issue of the *Texas Register* (38 TexReg 6417).

REASONED JUSTIFICATION. The purpose of this new section is to provide a procedure the Department will use to evaluate an applicant’s compliance history. In addition, the purpose of the new section is improve the Department’s process for reviewing an applicant’s previous participation and incorporate legislative changes to Texas Government Code §2306.6719.

### **SUMMARY OF PUBLIC COMMENT AND STAFF RECOMMENDATIONS.**

Comments were accepted from September 28, 2013, through October 28, 2013, with comments received from Barry Kahn (1), Granger MacDonald (2) and Cynthia Bast (3).

#### **1. §1.5(a)**

**COMMENT SUMMARY:** Commenter (3) suggested clarification of the word affiliate. In addition, commenter (3) suggested that this section should reference ownership transfers.

**STAFF RESPONSE:** Staff agrees that clarification will improve the rule and will include the following changes:

“(a) The governing board (Board) of the Texas Department of Housing and Community Affairs (the "Department") designates the Executive Award and Review Advisory Committee (EARAC), established pursuant to Texas Government Code, §2306.1112, to receive reports regarding the compliance history of an applicant seeking approval to own an existing affordable housing Development assisted by the Department and applicants seeking ~~applicant for~~ financial assistance or awards from the Department and any affiliate as defined by §10.3 of this title (relating to Definitions) of any such applicant and provide to the Board the assessment contemplated in Texas Government Code, §2306.057 in order that this Board may consider the compliance history and make and document its award decisions with full knowledge of these matters.”

#### **2. §1.5(c)**

**COMMENT SUMMARY:** Commenter (3) suggested the following change:

“. . . EARAC shall receive the applicant’s previous participation disclosure and the following reports regarding the applicant . . .”

**STAFF RESPONSE:** Although it is not expected that EARAC will find this information relevant, staff has no objection to including the applicant’s previous participation disclosure. The change is included in the rule.

**3. §1.5(c)(2).**

**COMMENT SUMMARY:** Commenters (1) and (2) suggested that events of noncompliance that cannot be corrected during the corrective action period be excluded from the applicant’s compliance history considered by the Executive Award and Review Advisory Committee.

**STAFF RESPONSE:** The requested change was not contemplated by the recent legislative amendments to Texas Government Code, Chapter 2306, and Texas Government Code, §2306.057 provides that any relevant noncompliance must be considered. Staff does not recommend any change.

**4. §1.5(d)**

**COMMENT SUMMARY:** Commenter (3) suggested the following change to:

“From the division responsible for the receipt and application of payments on loans held by the Department and the receipt of fees associated with multifamily bond developments or housing tax credit developments, EARAC shall receive the following reports regarding the applicant and each affiliate of the applicant:...”

**STAFF RESPONSE:** Staff agrees that the additional language improves the rule. The change is included in the rule.

**5. §1.5(e)**

**COMMENT SUMMARY:** Commenter (3) suggested the following change:

“From the division responsible for overseeing asset management issues for affordable rental properties assisted by the Department EARAC shall receive a report documenting...”

**STAFF RESPONSE:** Staff agrees that the additional language improves the rule. The change is included in the rule.

**6. §1.5(e)(3)**

**COMMENT SUMMARY:** Commenter (3) expressed concern about subjectivity or unwritten standards regarding the Asset Management Division reports that will be provided to EARAC and suggested that instead of “significant modifications or amendment” that EARAC should be informed of “material amendments.”

**STAFF RESPONSE:** Staff agrees. The change is included in the rule.

**7. §1.5(f)**

**COMMENT SUMMARY:** Commenter (3) suggested “In the interests of an open and transparent process, a copy of any EARAC report should be given to the applicant.”

**STAFF RESPONSE:** If there is anything that could possibly result in EARAC not recommending or imposing conditions upon a request, the applicant will be notified in accordance with §1.5(g). Since in all other cases there would be nothing for the applicant to respond to, staff does not recommend any change based on this comment.

#### **8. §1.5(g)**

**COMMENT SUMMARY:** Commenter (3) requested clarification of this subsection, specifically regarding the use of the phrase “during a review” and “prior to EARAC notification”. Commenter (3) further commented that certain issues cannot be resolved and that the applicant should be provided 5 business days to resolve or “comment upon” the issue.

**STAFF RESPONSE:** “During a review” means during a previous participation review; during the time that the Compliance, Financial Services or Asset Management Staff is actually doing the work of reviewing the applicant’s compliance history. “Prior to EARAC notification” means before the time that EARAC is or will be notified. Staff agrees that the rule should provide the applicant the opportunity to “comment upon” an issue and that change is included in the rule.

#### **9. §1.5(j)**

**COMMENT SUMMARY:** Commenter (3) suggested clarification of this subsection and the use of the word affiliate used in §1.5(j).

**STAFF RESPONSE:** Staff agrees that clarification will improve the rule and will include the following changes in the adopted version:

(j) EARAC is designated to review and shall follow the same procedure prior to approval of an entity as a reservation system participant and for assessing the compliance history of a proposed transferee (other than an affiliate of the current owner) when they seek approval to acquire an ownership interest in an affordable rental property assisted by the Department. ~~an applicant and each affiliate when the applicant seeks a non-affiliate, as defined by §10.3 of this title (relating to Definitions), transfer of ownership of an affordable rental property assisted by the Department.~~

#### **10. §1.5(k)**

**COMMENT SUMMARY:** Commenter (3) proposed the following change:

An applicant or any affiliate of an applicant who is not recommended for assistance based upon EARAC’s review ~~an award of funding based on their compliance history~~ may



appeal EARAC's determination in accordance with § 1.7 and § 1.8 of this chapter (relating to Staff Appeals Process and Board Appeals Process).

**STAFF RESPONSE:** Staff agrees that the word "assistance" is an improvement to "an award of funding" since this rule also covers ownership transfers. However, since this rule is specifically related to the review of an applicant's compliance history, staff does not agree that those words should be struck from the rule. Staff recommends the following change:

"An applicant or any affiliate of an applicant who is not recommended for assistance based upon EARAC's review of an award of funding based on their compliance history may appeal EARAC's determination in accordance with § 1.7 and § 1.8 of this chapter (relating to Staff Appeals Process and Board Appeals Process)."

## 11. General

**COMMENT SUMMARY:** Commenters (1) and (2) suggested that *"In instances where an owner owns multiple properties, the number of violations should be divided by the number of properties such owner owns when comparing violations to other owners with violations. One owning 20 properties with 10 violations going to EARAC is a lesser violator compared to someone owning one property with two violations."*

**STAFF RESPONSE:** It is not anticipated that the number of properties versus the number of violations will be determinative in the evaluation of an applicant's compliance history. Instead, the responsiveness of the owner, the reason for the finding of noncompliance, steps the owner has made to avoid noncompliance in the future, etc., are expected to be the focus of the decision. Staff does not recommend any change in response to this comment.

## 12. General

**COMMENT SUMMARY:** Commenter (3) stated "Under current practice, an owner in material non-compliance is prohibited from seeking a material amendment. Does the Department [sic] to continue to apply a previous participation review to amendment requests? If so, that needs to be contemplated here".

**STAFF RESPONSE:** Under current practice, material non-compliance does not prevent the material amendment of a LURA. Under current practice LURAs will not be amended if the subject Development has any uncorrected issues of noncompliance (other than a provision being amended) or owes fees. This concept has been incorporated into the Asset Management Rule in 10 TAC §10.405(b) which states:

"LURAs will not be amended if the subject Development has any uncorrected issues of noncompliance outside of the Corrective Action Period (other than the provision being amended) unless otherwise approved by the Executive Award Review and Advisory Committee or conditionally accepted by the Compliance Committee. LURAs will not be amended if the Development Owner owes fees to the Department."

Since the issue is addressed in another section of the Department's rules, staff does not recommend any change based on this comment.

### **13. General**

#### **COMMENT SUMMARY:**

Commenter (3) stated: "In addition, there has been some question as to whether the Department should impose a previous participation review for owners desiring to seek a qualified contract. A qualified contract is a privilege that could result in removal of affordability restrictions."

**STAFF RESPONSE:** The Department's Asset Management Rules address compliance requirements for a qualified contract request and state:

"Prior to the Department filing a release of the LURA, the Development Owner must correct all instances of noncompliance at the Property."

Since the issue is addressed in another section of the Department's rules, staff does not recommend any change based on this comment.

The Board approved the adoption of the rule on November 7, 2013.

**STATUTORY AUTHORITY.** The new section is proposed pursuant to Texas Government Code, §2306.053, which authorizes the Department to adopt rules.

### **§1.5.Previous Participation Reviews.**

(a) The governing board (Board) of the Texas Department of Housing and Community Affairs (the "Department") designates the Executive Award and Review Advisory Committee (EARAC), established pursuant to Texas Government Code, §2306.1112, to receive reports regarding the compliance history of an applicant seeking approval to own an existing affordable housing Development assisted by the Department and applicants seeking ~~applicant~~ for financial assistance or awards from the Department and any affiliate as defined by §10.3 of this title (relating to Definitions) of any such applicant and provide to the Board the assessment contemplated in Texas Government Code, §2306.057 in order that this Board may consider the compliance history and make and document its award decisions with full knowledge of these matters.

(b) The executive director of the Department shall designate the membership of EARAC, and the makeup of EARAC shall include, at a minimum, those members required by Texas Government Code, §2306.1112.

(c) For any application for financial assistance or awards presented to EARAC and in addition to any application-specific considerations including but not limited to threshold evaluation, selection scoring criteria and underwriting, EARAC shall receive the applicant's previous participation disclosure and the following reports regarding the applicant and each affiliate of the applicant from the division responsible for monitoring for compliance:

- (1) A report of any instance(s) of noncompliance that remain uncorrected and for which the applicable period for corrective action has expired;
- (2) A report of any instance(s) of noncompliance that have been corrected within the last three (3) years, but that were not corrected within the applicable period for corrective action; and
- (3) If the applicant or any affiliate of the applicant is subject to the requirement of an annual single audit:
  - (A) A report of any required single audit or single audit certification form that is currently past due; and
  - (B) If such single audit has been submitted and the most recent single audit report contained findings, a copy of that single audit.

(d) From the division responsible for the receipt and application of payments on loans held by the Department and the receipt of fees associated with multifamily bond developments or housing tax credit developments, EARAC shall receive the following reports regarding the applicant and each affiliate of the applicant:

- (1) A report of any payment of principal or interest to the Department that is past due beyond any grace period provided for in the applicable loan documents;
- (2) A report of any failure to provide evidence of or maintain any required insurance on any collateral for any loan held by the Department;

(3) A report of any failure to pay property taxes or provide evidence of the payment of property taxes on any collateral for any loan held by the Department unless either provision has been made for such payment or the Department has been provided satisfactory evidence of a tax exemption; and

(4) A report of any past due fees.

(e) From the division responsible for overseeing asset management issues for affordable rental properties assisted by the Department EARAC shall receive a report documenting any known current or ongoing concerns regarding the applicant or any affiliate of the applicant to financially or operationally manage one or more affordable rental properties assisted by the Department in a manner to keep the development sanitary, decent, and safe, including but not limited to:

- (1) The establishment and maintenance of appropriate reserves;
- (2) Identification of the development's capacity to meet financial obligations consistent with the minimum ratios to meet underwriting feasibility for the long term;
- (3) Requests for material ~~significant~~ modifications or amendments;
- (4) Any financing known to be in a workout status; and
- (5) Delays in issuance of IRS Form(s) 8609 which are within the control of the owner.

(f) EARAC shall review the reports provided and determine whether and the extent to which matters set forth in the report bear on the applicant's or affiliate's ability to perform, in a compliant manner, with regard to funding and allocation decisions by the Board. While EARAC may review and analyze the information provided, EARAC does not function as an appeal panel and does not affirm or overturn findings in division reports. However, EARAC may return the matter to the respective division, as time permits, for further review, information, and development.

(g) If an issue is identified during a review, prior to EARAC notification, the applicant will be provided a five (5) business day period to submit evidence to resolve and comment upon the issue(s) identified.

(h) Requests for funding and allocation assistance that involve disqualification or termination required by operation of law, such as an applicant who has been disbarred, will not be brought before EARAC, and such matters will be handled or terminated at the program level, subject to any applicable appeals process.

(i) For each application EARAC shall either:

- (1) Recommend approval;
- (2) Recommend denial, accompanied by an assessment of all reports received and setting out the factual basis for the denial recommendation;

(3) Recommend approval but disclose that one or more issues under subsection (c), (d) or (e) of this section, have been reported, but after consideration of relevant material facts, and circumstances it has been determined that denial is not warranted because:

(A) It is in the best interests of the state to proceed with the award;

(B) The award will not present undue increased program risk or financial risk to the Department or the state;

(C) The applicant is not acting in bad faith; and

(D) The applicant has taken reasonable measures within its power to remedy the issue; or

(4) Take such other action as deemed reasonable and necessary to make full, accurate, and informative recommendations to the Board regarding funding and allocation decisions, including recommendations with conditions.

(j) EARAC is designated to review and shall follow the same procedure prior to approval of an entity as a reservation system participant and for assessing the compliance history of a proposed transferee (other than an affiliate of the current owner) when they seek approval to acquire an ownership interest in an affordable rental property assisted by the Department. ~~an applicant and each affiliate when the applicant seeks a non-affiliate, as defined by §10.3 of this title (relating to Definitions), transfer of ownership of an affordable rental property assisted by the Department.~~

(k) An applicant or any affiliate of an applicant who is not recommended for assistance based upon EARAC's review of an award of funding based on their compliance history may appeal EARAC's determination in accordance with §1.7 and §1.8 of this chapter (relating to Staff Appeals Process and Board Appeals Process).

**TDHCA MAXIMUM RENT LIMITS**  
2004 - 2013

**TDHCA YEARLY RESTRICTED RENTS**

**2004 Maximum Rent Limits**

**% Increase  
From Prior Year**

MSA Houston

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

**2005 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2006 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2007 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	343	411	475	531
40%	457	549	634	708
50%	571	686	793	885
60%	686	823	951	1062

0.00%
0.00%
0.00%
0.00%

**2008 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	344	412	476	532
40%	458	550	635	709
50%	573	687	794	886
60%	687	825	953	1063

0.19%
0.14%
0.11%
0.09%

**2009 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	358	431	498	555
40%	478	574	663	740
50%	598	717	829	925
60%	717	861	995	1110

4.32%
4.37%
4.40%
4.42%

**2010 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	366	439	508	567
40%	488	588	677	756
50%	610	732	846	945
60%	732	879	1016	1134

2.16%
2.16%
2.16%
2.16%

**2011 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	371	445	514	574
40%	495	594	686	766
50%	618	742	858	957
60%	742	891	1029	1149

1.23%
1.32%
1.27%
1.32%

**2012 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	376	452	522	582
40%	502	603	696	777
50%	628	753	870	971
60%	753	904	1044	1165

1.39%
1.44%
1.46%
1.39%

**2013 Maximum Rent Limits**

Harris

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30%	376	452	522	582
40%	502	603	696	777
50%	628	753	870	971
60%	753	904	1044	1165

0.00%
0.00%
0.00%
0.00%

Note that rents actually went down in 2013 however for existing properties the holdharmless provision kept them flat.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Gross Potential Rent	\$1,115,196									
Misc. Income	\$16,800									
Garage and Storage	\$0									
Gross Income	\$1,131,996									
Vacancy @ 7.5%	\$84,900									
Resident Income	\$1,047,096	\$ 1,068,038	\$ 1,089,399	\$ 1,111,187	\$ 1,133,411	\$ 1,156,079	\$ 1,179,201	\$ 1,202,785	\$ 1,226,840	\$ 1,251,377
Income	\$1,047,096	\$ 1,068,038	\$ 1,089,399	\$ 1,111,187	\$ 1,133,411	\$ 1,156,079	\$ 1,179,201	\$ 1,202,785	\$ 1,226,840	\$ 1,251,377
Operating Expenses										
@ \$5,000.00 Unit	\$700,000	\$ 721,000	\$ 742,630	\$ 764,909	\$ 787,856	\$ 811,492	\$ 835,837	\$ 860,912	\$ 886,739	\$ 913,341
NOI	\$347,096	\$ 347,038	\$ 346,769	\$ 346,278	\$ 345,555	\$ 344,587	\$ 343,364	\$ 341,873	\$ 340,101	\$ 338,036
Debt Service	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784	\$287,784
Cash Flow After Debt Service	\$59,312	\$59,254	\$58,985	\$58,494	\$57,770	\$56,803	\$55,580	\$54,089	\$52,317	\$50,252
DSCR Ratio	1.206	1.206	1.205	1.203	1.201	1.197	1.193	1.188	1.182	1.175

Income Growth Assumption	2%
Expense Growth Assumption	3%
Unit Mix for Maximum Scoring:	40% 50's & 10% 30's
Interest Rate:	6.00%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual Gross Potential Rent	\$1,115,196									
Misc. Income	\$16,800									
Garage and Storage	\$0									
Gross Income	\$1,131,996									
Vacancy @ 7.5%	<u>\$84,900</u>									
Resident Income	\$1,047,096	\$ 1,057,567	\$ 1,068,143	\$ 1,078,824	\$ 1,089,613	\$ 1,100,509	\$ 1,111,514	\$ 1,122,629	\$ 1,133,855	\$ 1,145,194
Income	\$1,047,096	\$ 1,057,567	\$ 1,068,143	\$ 1,078,824	\$ 1,089,613	\$ 1,100,509	\$ 1,111,514	\$ 1,122,629	\$ 1,133,855	\$ 1,145,194
Operating Expenses										
@ \$5,000.00 Unit	<u>\$700,000</u>	<u>\$ 721,000</u>	<u>\$ 742,630</u>	<u>\$ 764,909</u>	<u>\$ 787,856</u>	<u>\$ 811,492</u>	<u>\$ 835,837</u>	<u>\$ 860,912</u>	<u>\$ 886,739</u>	<u>\$ 913,341</u>
NOI	<u>\$347,096</u>	<u>\$ 336,567</u>	<u>\$ 325,513</u>	<u>\$ 313,915</u>	<u>\$ 301,756</u>	<u>\$ 289,017</u>	<u>\$ 275,677</u>	<u>\$ 261,717</u>	<u>\$ 247,116</u>	<u>\$ 231,853</u>
Debt Service	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>	<u>\$287,784</u>
Cash Flow After Debt Service	\$59,312	\$48,783	\$37,729	\$26,131	\$13,972	\$1,233	-\$12,107	-\$26,067	-\$40,668	-\$55,932
DSCR Ratio	1.206	1.170	1.131	1.091	1.049	1.004	0.958	0.909	0.859	0.806

Income Growth Assumption	1%
Expense Growth Assumption	3%
Unit Mix for Maximum Scoring:	40% 50's & 10% 30's
Interest Rate:	6.00%



## Public Comments/Compliance

### ***Suggestions for Excluding Certain Items During Unit Inspection***

All units are in good, working condition when a resident moves in. The units are completely painted, cleaned, the carpet is steam cleaned and all unit equipment repaired or replaced before a resident moves in. This is industry standard and also a provision in the lease contract they sign at move in. The resident is given a "Move In Condition Form" at move in to record anything wrong or damaged in their unit. They are required to return the form to the office, which is kept on file and will be compared to the unit condition at move out. The items listed below do not affect or hamper a resident's living, health or habitability and we have no control over these issues. The lease requires the tenant(s) to be responsible for the habitability issues within their units. HUD has a website noted below showing examples of many of these issues and more than likely the issues found on the inspections do not rise to the level noted as violations by HUD:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/react/products/pass/materials](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/react/products/pass/materials).

### **UNIT INSPECTABLE ITEMS THAT ARE SUGGESTED TO BE DELETED FROM TDHCA INSPECTIONS**

***lights out*** anywhere in the apartment - light bulbs are all working when resident moves in and is their responsibility to replace as stated in the lease

***interior wall painting*** - all units are completely painted before a resident moves in

***range hood/stove with excessive grease*** - all units are cleaned before a resident moves in

***clothes, other items laying around*** - resident issue/housekeeping

***holes in the walls*** if less than 2 square inches - resident damage, does not impact their habitability—see attached picture

***towel rack missing or damaged*** - resident responsibility, it was in good condition before move in and it does affect their habitability

***finger prints/crayons marks on walls*** - resident responsibility/damage

***cracked window pane (still functioning as designed)*** - resident damage, not there at move in, and does not impact their habitability - glass is replaced when broken

***broken/cracked light cover*** - if still covering the wires, no need to replace

***excessive dirty dishes in sink*** - clean at move in, resident responsibility

***stove light out*** - resident responsibility, light was working at move in

***missing sink stopper*** - it was there at move in

***cabinet surfaces not clean*** - clean before move in, resident responsibility

***screen bent or with small hole*** - if still functioning no need to replace - resident responsibility if damaged, does not impact their habitability

***mini blind damage*** - resident responsibility, they were in good condition at move in

***animal feces from pets laying around*** - residents responsibility

***bags of trash inside unit*** - resident issue, we have no legal right or lease clause allowing us to remove it

***food storage areas not clean*** - clean before move in, resident responsibility

**spots/stains on carpet** - resident damage and responsibility  
**mold/mildew on tub or around window sills** - resident dirt, housekeeping—  
**see attached picture**— Mold including mildew on bathtubs - if less than 10 sq. ft., no issue besides cleaning. <http://epa.gov/mold/moldguide.html#who>  
**Infestation/roaches** - resident housekeeping - all units are sprayed 1x per quarter plus whenever the resident calls and requests service  
**sharp/unsafe resident items laying around** - resident issue, it is questionable whether the landlord has the legal right to remove any of the residents property without their permission  
**tripping hazard such as cable, computer or TV cords** - resident issue - it is questionable whether a landlord has the legal right to move any of the resident's belongings inside the unit without the resident's permission  
**furniture blocking egress** - resident issue - it is questionable whether a landlord has the legal right to move any of the resident's belongings inside the unit without the resident's permission—**see attached picture**

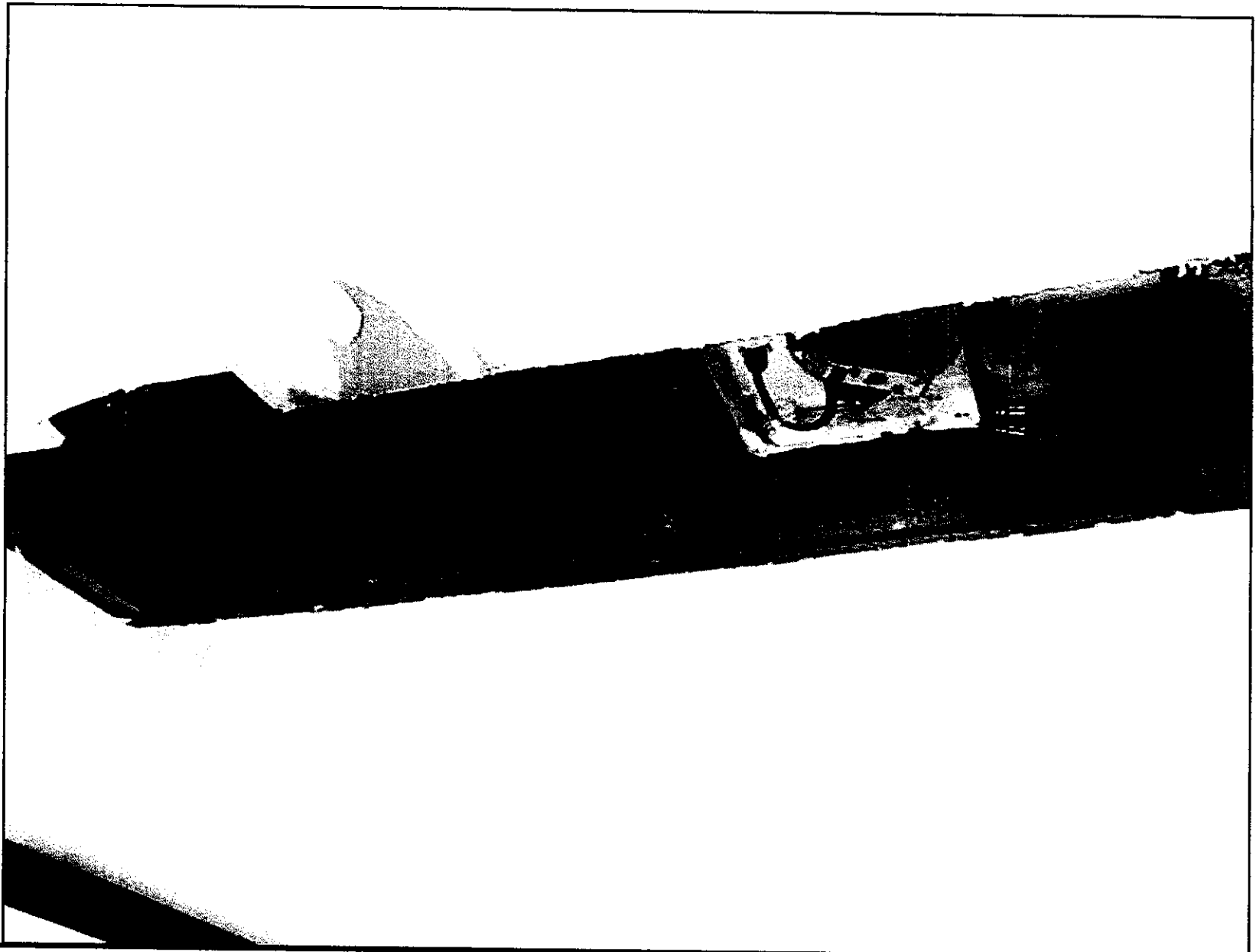
**EXTERIOR ITEM THAT IS SUGGESTED TO BE DELETED FROM TDHCA INSPECTIONS**

**Overgrown vegetation from a neighbor's property**-as long as such does not impact the common areas, amenities or the buildings—question of a legal right to cut someone else's trees and vegetation – **see attached picture**

Section 1.5 (c)(2) of the previous participation rule should be modified by : A report of any instance(s) of noncompliance that have been corrected within the last three (3) years, but that were not corrected within the applicable period for corrective action *unless such item could not have been corrected and the procedure causing such violation has been corrected. (This will cover issues such as a violation of a fair housing form which can't be corrected and should not remain forever on one's record).*

In instances where an owner owns multiple properties, the number of violations should be divided by the number of properties such owner owns when comparing violations to other owners with violations. One owning 20 properties with 10 violations going to EARAC is a lesser violator compared to someone owning one property with two violations.

**UNIT**



**INFO:** You can see through to the unit above.

**DEF:** Holes/Missing Tiles/Panels (Ceiling) - L3

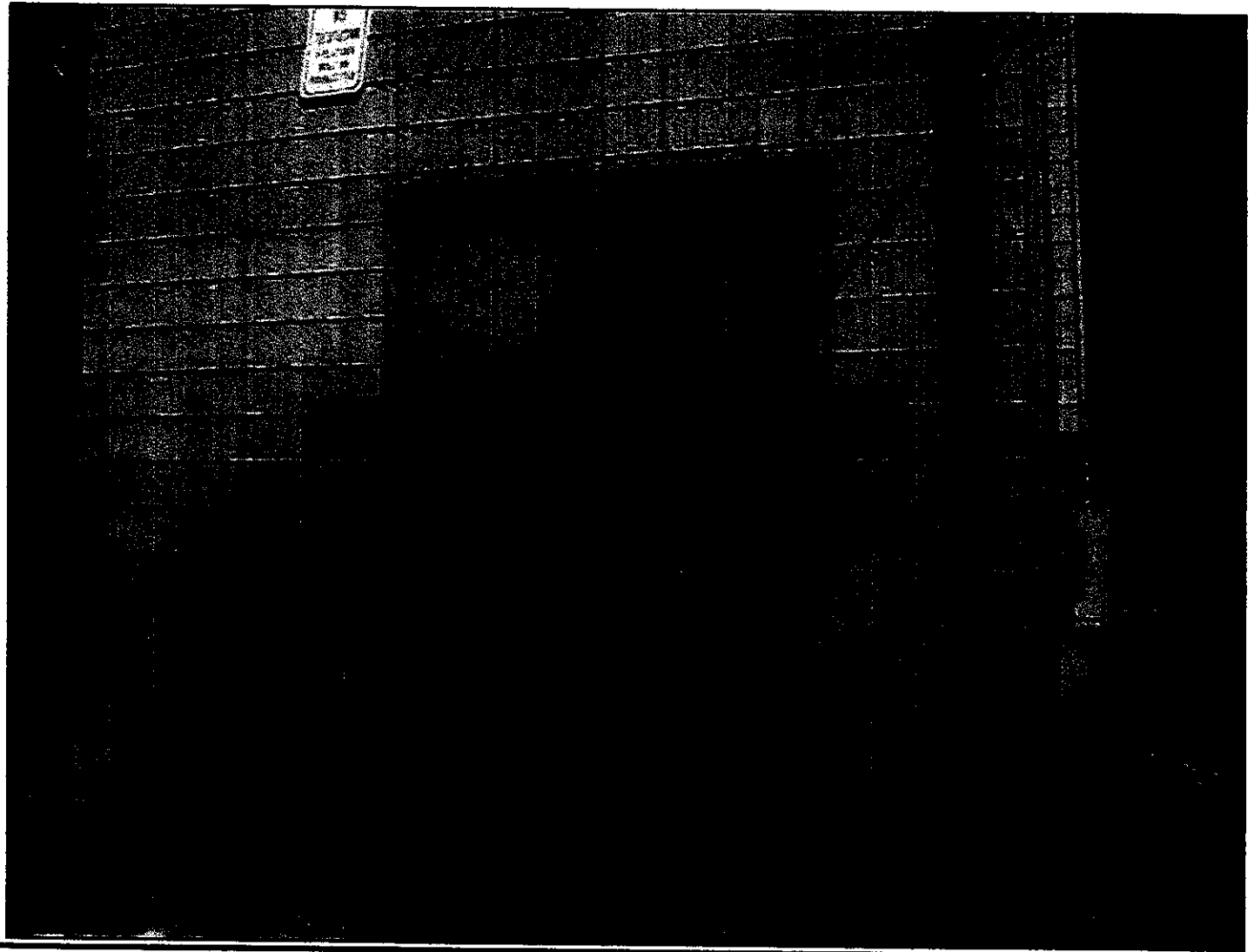
**UNIT**



**INFO:** While in this unit you observe mildew on the walls covering more than 4 square feet. The piece of the wall shown is 8' long by 8' high.

**DEF:** Water Stains/Water Damage/Mold/Mildew (Walls) – L2 Health and Safety - Air Quality/Mold and or Mildew Observed

# HEALTH & SAFETY



**INFO:** The property owner mentions that this window is one of the two means of egress from this bedroom window.

**DEF:** Building Exterior - Emergency/Fire Exits  
- Blocked/Unusable

**SITE**



**INFO: Walkway is unusable and impassable.**

**DEF: Overgrown/Penetrating Vegetation (Grounds) - L3**

MEMORANDUM

**TO:** Texas Department of Housing and Community Affairs  
**FROM:** Cynthia Bast  
**DATE:** October 30, 2013  
**RE:** PUBLIC COMMENTS ON RULES – **CHAPTER 1, SUBCHAPTER A – SECTION 1.5**

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On behalf of Locke Lord LLP and not any particular client of our firm, please find comments to draft Chapter 1, Texas Administrative Code (“**TAC**”), Subchapter A, Section 1.5.

**Section 1.5(a)**

**Issue:** The rule regularly uses two terms that are defined elsewhere in the body of TDHCA rules. “Applicant” is defined in multiple chapters of TAC. Based upon a brief review of the rules in TAC, “affiliate” is defined only in Chapter 10, Subchapter A, Section 10.3(3). While the term “applicant” may be well understood, based upon its definitions in other parts of TAC, it is important that “affiliate” be given a meaning, as this term extends the reach of the rule. Section 1.5(j) indicates that the reference therein to “affiliate” should refer to the definition in Section 10.3(3). This cross reference should apply to the entire body of Section 1.5

**Reasoning:** Clarification of definition.

**Proposed Change:**

Remove the cross-reference in subsection (j). Insert a new subsection (l) that says:

(l) For purposes of this rule, the term “affiliate” shall have the meaning given it in Section 10.3(3) of this title with relating to Definitions.

**Section 1.5(a)**

**Issue:** This section indicates that the rule applies to “an applicant for financial assistance or awards from the Department and any affiliate of any such applicant.” Actually, the rule applies to a broader body of participants, to the extent it also applies to the ownership transfer process. Ownership transfer applicants are not actually seeking either financial assistance or an award.

**Reasoning:** Clarity of the application of the rule.

**Proposed Change:** The term “financial” could be removed, and the phrase would be broader to incorporate anyone seeking the Department’s assistance. That would apply to applicants for an ownership transfer. It could even apply to applicants for material amendments or qualified contracts, to the extent the Department wishes to extend the reach of the rule. (See comment below.)

**Section 1.5(c)**

**Issue:** Owners have been very clear in their comments that they want EARAC to consider any non-compliance events in light of the overall portfolio of the owner in question. In addition to receiving information about the actual non-compliance events, EARAC should also receive information as to the total number of units of affordable housing under the control of that applicant and the age of the portfolio. Assuming the Department continues to use the same form of previous participation disclosure in its uniform application, providing EARAC with a copy of the previous participation exhibit from the application should suffice for this purpose.

**Reasoning:** The extent of an owner’s non-compliance benefits from the perspective as to how many units are under management and how old those units are. An owner with five non-compliance events across 2500 units may present different considerations than an owner with five non-compliance events across 250 units.

**Proposed Change:** “. . . EARAC shall receive the applicant’s previous participation disclosure and the following reports regarding the applicant . . . ”

**Section 1.5(d)**

**Proposed Change:**

From the division responsible for the receipt and application of payments on loans held by the Department and the receipt of fees associated with multifamily bond developments or housing tax credit developments, EARAC shall receive the following reports regarding the applicant and each affiliate of the applicant:



**Section 1.5(e)**

**Proposed Change:**

From the division responsible for overseeing asset management issues for affordable rental properties assisted by the Department EARAC shall receive a report documenting . . . .

**Section 1.5(e)(3)**

**Issue:** As written, subsection (e) has a great deal of subjectivity, which could lead to disparate treatment or unwritten standards. In particular, subsection (e)(3) refers to any “significant modification or amendment”. We already have a concept of “material” amendments in the rules, and they are well-defined.

**Reasoning:** It is impossible for an applicant to know what is going to be submitted to EARAC for consideration under this subsection.

**Proposed Change:** “Significant” amendments should be defined as “material” amendments with a cross-reference to the applicable section under which material amendments are defined.

**Section 1.5(f)**

**Issue:** In the interests of an open and transparent process, a copy of any EARAC report should be given to the applicant.

**Section 1.5(g)**

**Issue:** This subsection refers to an issue identified “during a review.” Does this mean during the staff’s review prior to submission to EARAC or during EARAC’s review? What does “prior to EARAC notification” mean? Does that mean EARAC’s decision with regard to whether to recommend the applicant for the assistance requested? This language could be modified for the Department’s intent to be more clear.

**Section 1.5(g)**

**Issue:** The applicant is given the opportunity to present evidence to “resolve” the issue. Some issues are not capable of resolution or are not capable of resolution within five business days. However, the applicant may be able to provide information important to EARAC’s consideration. For instance, if a property is troubled but has a refinancing scheduled, and the Department is unaware of that proposed refinancing, the financing plan could be relevant to EARAC’s view of the owner’s performance.

October 30, 2013

Page 4

**Proposed Change:** The applicant should be given the opportunity to “resolve or comment upon” the issue.

### ***Section 1.5(j)***

**Issue:** This statement is very difficult to understand. Does the review relate to the transferor or the transferee or both?

**Proposed Change:** Rewrite Section 1.5(j) to read as follows:

When an applicant or its affiliates propose to transfer ownership of an affordable rental property assisted by the Department, the [transferor and its affiliates/transferee and its affiliates] will be reviewed in accordance with this Section 1.5, and EARAC shall determine whether such transfer is recommended for approval.

### ***Section 1.5(k)***

**Issue:** Compliance history is only one reason why an applicant may not be recommended for an award. In addition, the applicant may be seeking assistance other than funding.

**Proposed Change:** An applicant or any affiliate of an applicant who is not recommended for assistance based upon EARAC's review may appeal EARAC's determination in accordance with § 1.7 and § 1.8 of this chapter (relating to Staff Appeals Process and Board Appeals Process).

### ***General***

Under current practice, an owner in material non-compliance is prohibited from seeking a material amendment. Does the Department to continue to apply a previous participation review to amendment requests? If so, that needs to be contemplated here.

In addition, there has been some question as to whether the Department should impose a previous participation review for owners desiring to seek a qualified contract. A qualified contract is a privilege that could result in removal of affordability restrictions.

I am happy to respond to any questions about these comments. Thank you for your time.

3c

To Be Posted 3 Days  
Prior to the Board Meeting

3d

To Be Posted 3 Days  
Prior to the Board Meeting

4a

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on requests for waivers of the Department's multifamily rules and requirements

**RECOMMENDED ACTION**

**WHEREAS**, the Board approved a commitment of \$1,500,000 in Competitive (9%) Housing Tax Credits to Evergreen at Hebron Senior Community (#13058) in accordance with the Qualified Allocation Plan on July 25, 2013;

**WHEREAS**, the Applicant has requested a waiver of §10.101(b)(4)(M) of the Uniform Multifamily Rules, requiring that the minimum number of parking spaces required by local code also be provided to the tenants free of charge;

**WHEREAS**, the Applicant has confirmed a willingness to comply with the rule should the waiver request be denied, thereby satisfying the conditions of the Commitment; and

**WHEREAS**, staff has not determined that the granting of the waiver is necessary to address circumstances beyond the applicant's control or how, if the waiver is not granted, the Department will not fulfill some specific policy or purpose of Texas Government Code, Chapter 2306 in accordance with the requirements for the granting of a waiver in §10.207 of the Uniform Multifamily Rules;

**NOW, therefore, it is hereby**

**RESOLVED**, the request for a waiver of §10.101(b)(4)(M) for Evergreen at Hebron Senior Community (#13058) is hereby denied.

**BACKGROUND**

On August 16, 2013, Department staff issued a Commitment Notice to Evergreen at Hebron Senior Community (#13058), located in Urban Region 3. That commitment was conditioned upon, among other items, those reflected in the Department's Credit Underwriting Analysis Report. That report, published on August 21, 2013, required the applicant to submit, by September 21, 2013, documentation of the applicable local parking code requirements and an explanation of how the Development would satisfy the local code and/or minimum requirements



of the §10.101(b)(4) of the Multifamily Uniform Rules. This section of the rules reflects that the parking necessary to meet local code “must be at no charge to the tenants.”

In response to that condition, the Applicant submitted a request to build the property with 136 uncovered spaces that would be free of charge to the tenants along with 12 garages and 16 carports that would be available for a fee. The City of Carrollton requires that the development have 1.2 spaces per unit, or a total of 164 spaces for this 136 unit development. Therefore, pursuant to the §10.101(b)(4)(M) of the Uniform Multifamily Rules, the applicant must provide 164 spaces free of charge. The applicant contends that, because the City of Carrollton does not require the parking, whether covered or uncovered, to be provided at no charge, the Department should adopt a similar position. Staff disagrees with the Applicant. The purpose of the rule is to address the fact that the local codes generally do not require the parking to be free. Staff, however, would not object to parking spaces in excess of the minimum 164 required under the local code being provided for a fee.

The applicant, in their request, also points to market demand, similar situations with other properties in their portfolio, and a concern about building an “over parked” site. However, none of these arguments address how the waiver is necessary for the Department to fulfill some specific requirement of law, and there are a number of design options available to the applicant that would work within the rules and still provide the (optional) amenity of covered parking to the tenants.

The requirements for the granting of a waiver are reflected in §10.207(c) of the Uniform Multifamily Rules, as follows:

Waivers Granted by the Board. The Board, in its discretion, may waive any one or more of the rules in Subchapters B, C, E, and G of this chapter except no waiver shall be granted to provide forward commitments or if it is prohibited by statute (*i.e.*, statutory requirements may not be waived). The Board, in its discretion, may grant a waiver that is in response to a natural, federally declared disaster that occurs after the adoption of the multifamily rules. A requested waiver must establish how the waiver is necessary to address circumstances beyond the Applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law or purpose or policy set forth in Texas Government Code, Chapter 2306. In this regard, the policies and purposes articulated in Texas Government Code §§2306.001, 2306.002, and 2306.6701 are general in nature and apply to the role of the Department and its programs, including the tax credit program, taken as a whole and the Board does not view the fact that an outcome requiring a waiver would be consistent with any of those enumerated policies or purposes as establishing a presumption that specific transaction must be granted a waiver in order for the program, as a whole, to be consistent with those policies and purposes.

Staff recommends denial of the waiver. Staff has a statement from the applicant confirming a willingness to comply with the rule should the waiver be denied, so this decision would not result in a rescission of the tax credit Commitment.

**From:** [Brad Forslund](#)  
**To:** [Jean Latsha \(jean.latsha@tdhca.state.tx.us\)](mailto:jean.latsha@tdhca.state.tx.us)  
**Cc:** [Cameron Dorsey \(cameron.dorsey@tdhca.state.tx.us\)](mailto:cameron.dorsey@tdhca.state.tx.us); [Tony Sisk](#); [Becky Villanueva](#)  
**Subject:** Evergreen at Hebron Parking Waiver  
**Date:** Monday, October 21, 2013 3:53:54 PM

---

Jean,

We would like to request a change to our parking waiver request. We would like to request 12 garages, 16 carports and the remainder of 136 spaces as uncovered. This would result in 1 free space per unit. We made this change after further discussions with our Operations group.

Can the request be modified and still keep us on track with the November Board meeting?

Thanks

Brad

Brad Forslund

Partner

Churchill Residential. Inc.

5605 N. MacArthur Blvd. Suite 580

Irving, Texas 75038

Office: (972)550-7800

Facsimile (972)550-7900

**From:** [Brad Forslund](#)  
**To:** [Jean Latsha \(jean.latsha@tdhca.state.tx.us\)](#)  
**Cc:** [Cameron Dorsey \(cameron.dorsey@tdhca.state.tx.us\)](#); [Tom Cavanagh \(tom.cavanagh@tdhca.state.tx.us\)](#); [Duc Nguyen \(duc.nguyen@tdhca.state.tx.us\)](#); [Becky Villanueva](#)  
**Subject:** Emailing: SKMBT\_C55213092013270.pdf  
**Date:** Friday, September 20, 2013 1:36:44 PM  
**Attachments:** [SKMBT\\_C55213092013270.pdf](#)

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Jean,

Please find the attached letter based on our discussion yesterday. Let me know if this is everything you need.

Just to confirm, by applying for this waiver we have put the parking requirement from our underwriting report on hold while we work through this waiver request.

Also, as I had mentioned in my e-mail yesterday, if we're unsuccessful with the waiver request we are agreeing to provide the 164 uncovered parking spaces at no charge to the residents.

Thanks

Brad

The message is ready to be sent with the following file or link attachments:

SKMBT\_C55213092013270.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.



September 20, 2013

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Subject: HTC/HOME Application – Parking Waiver  
TDHCA# 13058 / Development Name: Evergreen at Hebron Senior Community

Dear Mr. Irvine:

We are respectfully requesting a waiver to Section 10.101 (b)(4)(M) Mandatory Development Amenities Parking Requirements (see below). This Section requires we meet the parking requirement per the local code, in this case the City of Carrollton. This Section also requires that we provide this amount of parking at no charge to the resident.

**(M) Adequate parking spaces consistent with local code, unless there is no local code, in which case the requirement would be 1.5 spaces per Unit for non-Qualified Elderly Developments and one (1) space per Unit for Qualified Elderly.**

The City of Carrollton requires 1.2 spaces per unit for a senior property like Evergreen at Hebron. They aren't concerned how much of that is uncovered or covered parking (i.e. carports or garages) only if you meet the per unit requirement. They are also not concerned if you charge for parking.

Our City approved site plan includes a total of 164 parking spaces which includes 24 detached garages, 42 carports and 98 uncovered spaces. This equates to a 1.2 parking ratio based on the 136 units.

Historically we have provided a certain amount of covered parking on our senior properties due to demand. There are a percentage of seniors that prefer this type of parking for various reasons, shelter from the weather or to insure a space closer to their unit due to mobility issues (e.g. walkers). Seniors also will use garages for a combination of parking and some light storage (e.g. seasonal decorations) due to their home downsizing.



Our existing senior properties average about 40% covered spaces and we run about 85% occupancy. Based on this historical performance over the last 10 years we have always had unused uncovered spaces with our traditional 1.2 parking spaces per unit parking ratio. The point being anyone who wants an uncovered space at no charge always has one available.

Enforcing this rule will require us to build 164 uncovered spaces. If we want to provide covered spaces they would be in addition to the 164 spaces. This would result in an "over parked" site plan. This would create a reduction in green space and excess impervious paved areas. This green space normally would be used for resident amenities (community gardens, dog parks etc.) In addition, due to the high cost of construction and rigid city building requirements it is not feasible to provide the covered parking at no cost to the resident.

We respectfully request a waiver to allow us to construct our parking with the 98 uncovered spaces at no charge to the residents and 24 garages and 42 carports at an additional charge to the residents.

Thank you for your time addressing this matter. If you have any additional questions, I can be reached at 972-550-7800 x 222 or [bforslund@cri.bz](mailto:bforslund@cri.bz).

Sincerely,

A handwritten signature in black ink, appearing to read "Bradley E. Forslund", with a stylized flourish at the end.

Bradley E. Forslund

CC: Cameron Dorsey  
Jean Latsha  
Tom Cavanagh  
Duc Nguyen

Enclosure



Brad Forslund  
Churchill Senior Communities, L.P.  
5605 N. MacArthur, Suite 580  
Irving, Texas 75038

**Re: Case No.** 08-13Z1 Evergreen at Austin Waters  
Parking Calculations

September 18, 2013

Dear Mr. Forslund:

When submitted, the construction documents for the above-referenced project will be reviewed for compliance with the requirements of the City of Carrollton codes and ordinances by our Building Inspection Department.

Upon inquiry, I have found that they will be using the parking ratio of 1.2 spaces per dwelling unit (same ratio as was used for *Lakeview at Josey Ranch*, a very similar project).

The site plan submitted as part of the zoning application (which was approved by our City Council on September 17, 2013) meets the minimum requirement with 98 uncovered spaces at no charge to the residents, as well as 24 garage and 42 carport-covered spaces at an additional charge to the residents. Our code makes no distinction between "free" and "additional charge" spaces.

Sincerely,

A handwritten signature in blue ink that reads "Christopher Barton".

Christopher Barton, AICP  
Chief Planner

4b

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on Requested Waivers and Consideration of Determination Notices for Housing Tax Credits with Other Issuers, if all Required Waivers, if any, have been Granted

**RECOMMENDED ACTION**

**WHEREAS**, a 4% Noncompetitive Housing Tax Credit application for Cedar Terrace Apartments was submitted to the Department on July 1, 2013;

**WHEREAS**, the proposed issuer of the bonds for the Development is the Galveston Public Facility Corporation;

**WHEREAS**, the Certificate of Reservation expires on December 19, 2013;

**WHEREAS**, the applicant has requested two waivers pursuant to §10.101(a)(1) and §10.101(a)(3) of the Uniform Multifamily Rules relating to the elevation of the proposed parking being more than six inches below the floodplain and relating to the presence of high-voltage power lines adjacent to the development, respectively;

**WHEREAS**, the applicant requested pre-clearance pursuant to §10.101(a)(4)(A) of the Uniform Multifamily Rules regarding the proposed site being located in an area that has a history of significant or recurring flooding;

**WHEREAS**, on October 10, 2013, this Application was presented for possible Board action with the same waiver requests and the Board took action to request additional documentation concerning the issues for which the waivers were requested and concerns that had been raised with respect to fair housing laws and threats of claims under the Fourteenth Amendment U. S Constitution;

**WHEREAS**, although the chair announced the creation of a Board committee tasked to expedite review of any documentation submitted to satisfy the Board's requests, such documentation did not become available until after this matter was already posted for consideration before the full Governing Board at this November 7, 2013 meeting;

**WHEREAS**, the Executive Award and Review Advisory Committee has not taken any action that would change the previous recommendation to deny the waivers based on its inability to identify one or more specific requirements of law or policy or purpose in Texas Government Code Chapter 2306 that necessitate the granting of the waivers, and, to the extent the Board approves the waivers, recommends that the Board consider whether conditions to the award are appropriate; and



**WHEREAS**, a denial of the waivers would result in a denial of the issuance of the Determination Notice;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Board finds that the materials provided by the Applicant, including the jointly signed letter (the “HUD Letter”) from the three HUD Assistant Secretaries overseeing, respectively, Community Planning and Development, Public and Indian Housing, and Fair Housing and Equal Opportunity (does/does not) satisfy conditions set by the Board and establish a sufficiently a purpose or policy set forth in Texas Government Code, Chapter 2306 which would not be fulfilled without the approval of this transaction;

**FURTHER RESOLVED**, that the waivers requested relating to §10.101(a)(1) and (3) of the Uniform Multifamily Rules relating to parking elevations more than six inches below the floodplain and the presence of high voltage transmission lines within the engineered fall distance of the development’s residential buildings are \_\_\_\_\_;

**FURTHER RESOLVED**, that the pre-clearance associated with §10.101(a)(4)(A) relating to the proposed development being in an area that has significant or recurring flooding is \_\_\_\_\_; and

**FURTHER RESOLVED**, that the issuance of a Determination Notice is hereby \_\_\_\_\_.

### **BACKGROUND**

*General Information:* The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation which does not have a prescribed restriction on the percentage of Area Median Family Income (“AMFI”) that must be served. Cedar Terrace, located in Galveston, Galveston County, involves the new construction to provide for the one-for-one replacement of demolished public housing units that were damaged by Hurricane Ike in 2008 and the construction of “market rate” housing. The development is proposed to serve the general population and will consist of 122 total units, of which 62 will be rent and income restricted at 60% of AMFI and the remaining 60 units will be market rate and have no rent or income restriction. The financing structure is proposed to include CDBG-Disaster Recovery funds administered by the General Land Office, one or more loans from the Galveston Housing Authority or a related entity, private activity bonds to be issued by the Galveston Public Facility Corporation, and 4% housing tax credits. The site is currently zoned appropriately for this type of development.

This matter has been twice considered by this Board, once at its September 12, 2013, meeting, and again at its October 10, 2013, meeting. After significant public comment and discussion, the Board, on October 10<sup>th</sup>, indicated the matters it wished to have addressed, and the Chair designated a committee that could, if the applicant provided responsive items in a timely manner before the November board meeting, could act on the Board’s behalf. Specifically the Board sought:

1. A letter from appropriate officials at HUD with authority to speak for CPD, PIH, and FHEO confirming:
  - a. This specific proposed transaction complies fully with the Fair Housing Act and does not create a disparate impact in Urban Region 6;
  - b. This specific transaction is necessary for the State of Texas to accomplish in order to remain in compliance with the Conciliation Agreement; and
  - c. There are not sufficient CDBG-Disaster Recovery funds available in Galveston to accomplish this specific transaction without 4% tax credits; and
  - d. Because of deadlines for the accomplishment of the Galveston Plan for Housing Reconstruction an alternative source of financing cannot be put in place.
2. Receipt of an engineering report addressing the possibility of moving the high voltage transmission lines to a safe distance from the buildings or providing other engineer-approved mitigation and the safety of the transmission lines with respect to the future tenants of the development if the lines are not moved or other mitigation is not provided.

The committee established by the Board Chair was vested with the authority to determine if the above conditions were satisfied, approve the waivers if, indeed, the conditions were satisfied, and approve the issuance of a Determination Notice. The Applicant worked actively to obtain the requested documentation which was submitted in time to include in the posted Board materials. Staff has received documentation from the Applicant concerning the transmission lines, which is attached hereto as Exhibit A. On October 30<sup>th</sup>, after the Board agenda had been posted, the attached letter from HUD Dated October 29, 2013 and addressed to Tim Irvine was received. It is attached hereto as Exhibit B.

*Additional Description of the Waiver Requests:* The application is currently ineligible for an award of 4% housing tax credits pursuant to §10.101 of the Department's Uniform Multifamily Rules. The applicant submitted a Waivers, Pre-clearance, Determination, and Disclosure ("WPDD") Packet requesting the Board to exercise its discretion to grant two waivers of this rule. The first waiver relates to the elevation of proposed parking that would be more than six inches below the floodplain. The request indicates that while the newly constructed residential buildings will be above the floodplain and in compliance with §10.101(a)(1), the parking associated with the buildings will be built at an elevation that is approximately 6 feet below the floodplain. The applicant indicated that elevating the parking to be no more than six inches below the floodplain, compliant with the requirement, would raise the improvement to a level greater than the adjacent grade; therefore, making it not economically feasible to connect to the existing public streets at grade. The applicant further indicated they would include as part of the leasing protocol, instructions to the tenants that only outdoor items should be stored in the garages and the tenants would be required to sign a certification attesting to the fact they were given said instructions.

Staff notes that the Cedar Terrace application was previously submitted under the 9% Competitive program in the 2012 application round. In February 2012, an application for another phase of the Galveston redevelopment ("Magnolia") was brought before the Board to consider the parking elevation and floodplain issue. Magnolia had almost identical challenges with respect to the floodplain and elevation issues but did not have any issues related to high voltage power lines. While there was much discussion on the matter, the Board initially denied the request for a waiver for Magnolia. However, immediately following the vote, the Board requested it be brought for reconsideration at the March 2012 Board meeting which would allow the applicant more time to address some of the issues raised during

the Board discussion. At the March 2012 meeting, the Board approved, by a 4-0 vote, the Magnolia waiver associated with the parking elevation being lower than six inches below the floodplain; however, it is noted that mitigation of this site feature was being pursued by the applicant at the time this vote was taken.

The second waiver pertains to the presence of high-voltage power lines adjacent to the proposed site. Pursuant to §10.101(a)(3)(E) of the Uniform Multifamily Rules, Development Sites in which the buildings are located within the easement of any overhead high voltage transmission line or inside the engineered fall distance of any support structure for high voltage transmission lines, radio antennae, satellite towers, etc., will be considered ineligible, with the exclusion of local service electric line and poles. Based on information submitted by the applicant, the streets forming the perimeter of the site have five 138kv power lines, which are considered transmission lines. Other surrounding lines are typical power lines. The applicant indicated in testimony given at the September 12, 2013, Board meeting, that the transmission lines in question are actually in a public right-of-way outside the property line, and that there are no easements that run across the site. To date, the applicant has not provided documentation that definitively states the transmission lines are outside the engineered fall distance; however, they did indicate that absent confirmation from the transmission line provider to the contrary they cannot rule out the likelihood that should the transmission lines fall a tower may hit one of the residential buildings.

The standard for the granting of waivers is set out at 10 TAC §10.207(c). The requested waiver must establish how the waiver is necessary to address circumstances beyond the applicant's control and how, if the waiver is not granted, the Department will not fulfill some specific requirement of law or purpose or policy set forth in Texas Government Code, Chapter 2306. The matters that gave rise to the requests for waivers could, in theory, be addressed in other ways. For example, the parking could be elevated and the utility transmission lines could be re-routed, but such solutions would involve significant costs and cooperation with other parties, rendering them, as a practical matter, not feasible. So in order for the Development to proceed with the use of 4% housing tax credits (which subjects the Development to the requirements of the Department's rules governing multifamily development) these waivers are necessary. .

*Pre-Clearance Request:* The WPDD Packet requests pre-clearance to build the development in an area that has a history of significant or recurring flooding which is considered to be an undesirable area feature pursuant to §10.101(a)(4) of the Uniform Multifamily Rules. Galveston Island has continually seen significant or recurring flooding. Staff does not recommend that the pre-clearance be granted unless it is determined that the parking elevation is necessary and should be granted with such conditions as the Board deems appropriate. However, should the Board grant the waiver relating to the parking elevation, staff would recommend granting the pre-clearance associated with §10.101(a)(4) of the Uniform Multifamily Rules.

*Public Comment:* The proposed development has generated significant prolonged disagreement within the Galveston community. The Department received numerous letters of opposition which are included as Exhibit C in this presentation and were previously provided to the Board at the September and October Board meetings. Subsequent to the October meeting, the Department received additional public comment in opposition which is included as Exhibit B. The statements made in opposition include the following: there are existing vacant homes and units in Galveston with no demand to fill such

vacancies, there is a lack of services and few jobs on the island, there are environmental concerns associated with the site that have not yet been cleared by the Texas Commission on Environmental Quality, there were expressed concerns over the demographics of the census tract in which development is proposed to be located, and there were questions regarding the applicability of the Conciliation Agreement to this situation.

*Census Demographics:* The development is to be located at 2914 Ball in Galveston. Demographics for the census tract (7246.00) include AMFI of \$9,639; the total population is 1,793; the percent of the population that is minority is 94.53%; the percent of the population that is below the poverty line is 60.96%; the number of owner occupied units is 108 and the number of renter units is 543. (Census information from FFIEC Geocoding for 2013).

*Organizational Structure and Compliance:* The Borrower is Galveston Initiative II, LP, which is comprised of two separate General Partners; the Managing General Partner is Galveston Initiative II MBS GP, Inc. which is comprised of the following individuals: Hillary B. Zimmerman, Kevin J. McCormack, Vincent R. Bennett, Kim Hartmann, and Michael C. Duffy. The Co-General Partner is Galveston Public Facility Corporation, which is an instrumentality of the Galveston Housing Authority and includes the following individuals: Irwin Herz, Anthony Brown, Virginia French, Ann Masel, J.T. Edwards, Mona Purgason and Deyna Sims-Hobdy. The Compliance Summary completed on August 6, 2013, revealed that the principals of the general partners have received 21 multifamily awards. There were no identified issues relating to material noncompliance.

# Exhibit A

## Documentation Relating to Transmission Lines



# EXHIBIT A

Renaissance Tower  
1201 Elm Street  
Suite 5240  
Dallas, TX 75270  
214.742.0400 p  
817.288.0952 f

October 21, 2013

Sent Via Email

TDHCA  
Timothy Irvine, Executive Director  
Cameron Dorsey, Director of Multifamily  
221 East 11th Street  
Austin, TX 78701

Re: Cedar Terrace Waiver Request Regarding Transmission Lines

Gentlemen:

We have been working with McCormack Baron Salazar ("MBS") to determine impacts created by the presence of transmission poles adjacent to the Cedar Terrace site on Church and Ball Streets.

We are in receipt of a letter from CenterPoint Energy dated October 21, 2013 (attached). In that letter the following is stated:

"One of the reasons the Company places facilities in streets and required right of ways for power lines is for the protection of the public. There should be no homes or office buildings constructed within the confines of the right of way. This will allow for protection from most natural disasters that might cause a power line or structure to fall due to high winds or floods in the area. These structures are designed to meet the safety standards of the National Electric Safety Code"

None of the buildings at Cedar Terrace are located within the confines of the right of way. This is a salient fact that we wanted to stress. As is standard practice, in designing this site, we placed all buildings outside of the right-of-way, which is required by Galveston City code. In addition the buildings are setback from the right-of-way an additional five feet in the front yard and ten feet in the side yard.

Attached you will find diagrams that illustrate that there are three poles within fall zones that could potentially impact the buildings. The pole on Church Street is a galvanized steel pole that is 80 feet in height, and the fall zone for this pole is less than 76 feet. The two poles on Ball Street are both 70 feet in height; one is galvanized steel while the other is wood. The fall zone for these two poles are less than 65 feet. The diagram shows that on Church Street the corner of one building could be impacted, and on Ball Street there are four buildings that could be impacted.

Based on the CentrPoint letter the poles are designed to withstand 135 mph winds. The buildings at Cedar Terrace are designed in compliance with TDI Building Code standards for 130 mph 3-second gust wind speed. MBS was informed in writing by CenterPoint that it lost less than 1% of its transmission poles in all of Galveston County during Hurricane Ike.

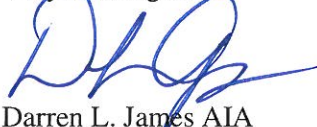
This leads us to focus on the other potential (but rare) possibility that an impact event (collision of a car or truck into one of the poles) could damage one of the poles and cause it to fall. This seems to us to be the more relevant concern for the TDHCA Board of Commissioners. The staff recommendation or question with respect to this item was as follows:

**Utility transmission towers located such that proposed building will be located within what reasonably appears to be the engineered fall zones of such towers: Are the buildings within the engineered fall zones? If not, this would need to be confirmed by a qualified engineer. If so, could protective barriers or other mitigations be employed?**

To address the three poles identified above and the concerns of the TDHCA Board, we recommend that crash walls be installed around these poles to protect them from such impact. The crash walls would be designed in compliance with TXDOT standards for a Safety Barrier (attached).

I hope that this letter serves to address your concerns; we are happy to answer any questions on this matter directly.

Very best regards,



Darren L. James AIA  
President & COO

Enclosures:

Site Plan (2 sheet)

TXDOT Standard Sheet CSB (6) - 10



P. O. Box 1700  
Houston, Texas 77251

October 21, 2013

Meg Manley  
McCormack Baron Salazar Development

Re: Area bordered by Church St & 29th St & Ball St & 30th St in Galveston,  
Texas

Dear Ms. Manley:

We are writing to you in reference to the Company's construction practices as they relate to safety concerns of the Department of Housing and Urban Development, specifically in regards to the location of the subject tract of land involved with this situation referenced above.

The construction practices of the Company follow the industry standards regarding safety and dependability and reflect those procedures recommended by the National Electrical Safety Code. The Company's power lines and structures, such as those in close proximity to the subject property, have withstood storms and hurricanes and other acts of nature without problems. However, there have been situations where violent storms, hurricanes and tornadoes have damaged Company facilities, including high voltage transmission and lower voltage distribution pole structures. If a power line or structure would to fall due to natural disasters, the fall zone would be less than 76 feet.

One of the reasons the Company places facilities in street and acquired right of ways for power lines is for the protection of the public. There should be no homes or office buildings constructed within the confines of the right of way. This will allow for protection from most natural disasters that might cause a power line or structure to fall due to high winds or floods in the area. These structures are designed to meet the safety standards of the National Electrical Safety Code. In the subject area CenterPoint Energy's transmission poles are engineered to withstand a sustained wind of 135 mph, and the voltage those lines carry is 138 kV. Additionally, those lines only serve our substations and the lines that would serve your project will come from the wood distribution lines.





P. O. Box 1700  
Houston, Texas 77251

Even with all the engineering precautions taken by the Company, there cannot be any guarantee that a future natural disaster and debris from such or planned violence by an individual or group will not cause damage to property or injury to persons who reside in close proximity to a high voltage transmission line. This information is furnished to advise you that this Company takes every known and reasonable precaution to protect the public and all property from harm that could occur if a situation as stated above develops.

Should you have additional concerns that involve the Company's construction practices or easements for our high voltage transmission lines, please contact me at 713-207-6389.

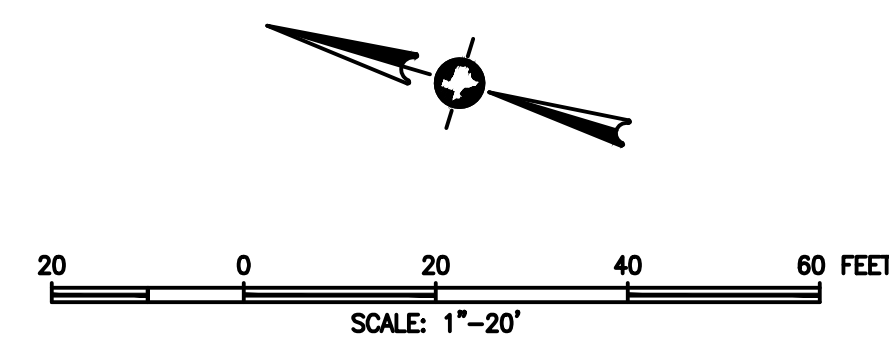
Very truly yours,

A handwritten signature in blue ink that reads "Kevin A. Meals".

10/21/2013

Kevin A Meals  
CenterPoint Energy Houston Electric, LLC  
Manager, Surveying & Right of Way

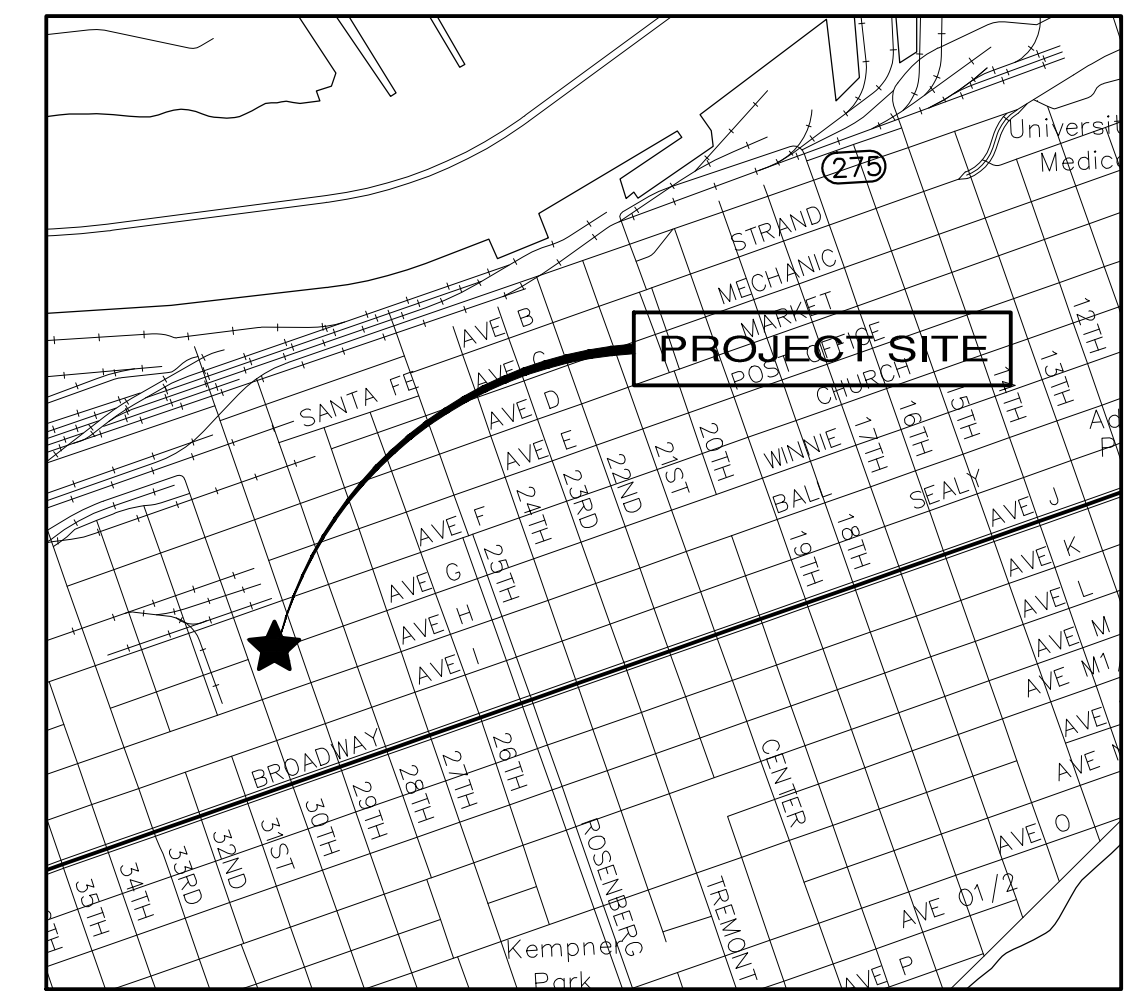




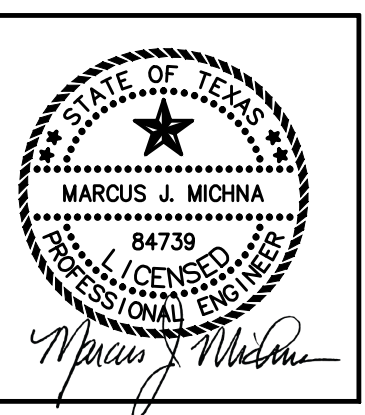
FEMA FLOOD NOTE:  
 ACCORDING TO THE FEMA FLOOD INSURANCE RATE MAP  
 NO. 4854690026 E, DATED DECEMBER 6, 2002, THIS  
 PROPERTY LIES IN FLOOD ZONE AE WITH A BASE FLOOD  
 ELEVATION OF 11 FEET.

NOTE:  
 FIELD VERIFY DEPTH, SIZE AND  
 MATERIAL FOR ALL WATER,  
 SANITARY AND STORM LINES

BORING NOTE:  
 SOIL INVESTIGATIONS AND BORING EXPLORATION  
 PERFORMED BY COASTAL TESTING LABORATORIES, INC.,  
 LAB JOB NO. 12-131, REPORT NO. 1201-103 DATED  
 FEBRUARY 8, 2012.



VICINITY MAP



KAI TEXAS  
 1201 Elm Street, Suite 6240  
 Dallas, Texas 75270  
 T. 214.742.0400  
 F. 817.288.0952  
 www.kaitexas.com

GALVESTON INITIATIVE 2 - CEDAR TERRACE  
 GALVESTON, TEXAS

SHEET TITLE: SITE PLAN  
 PERMIT APPLICATION

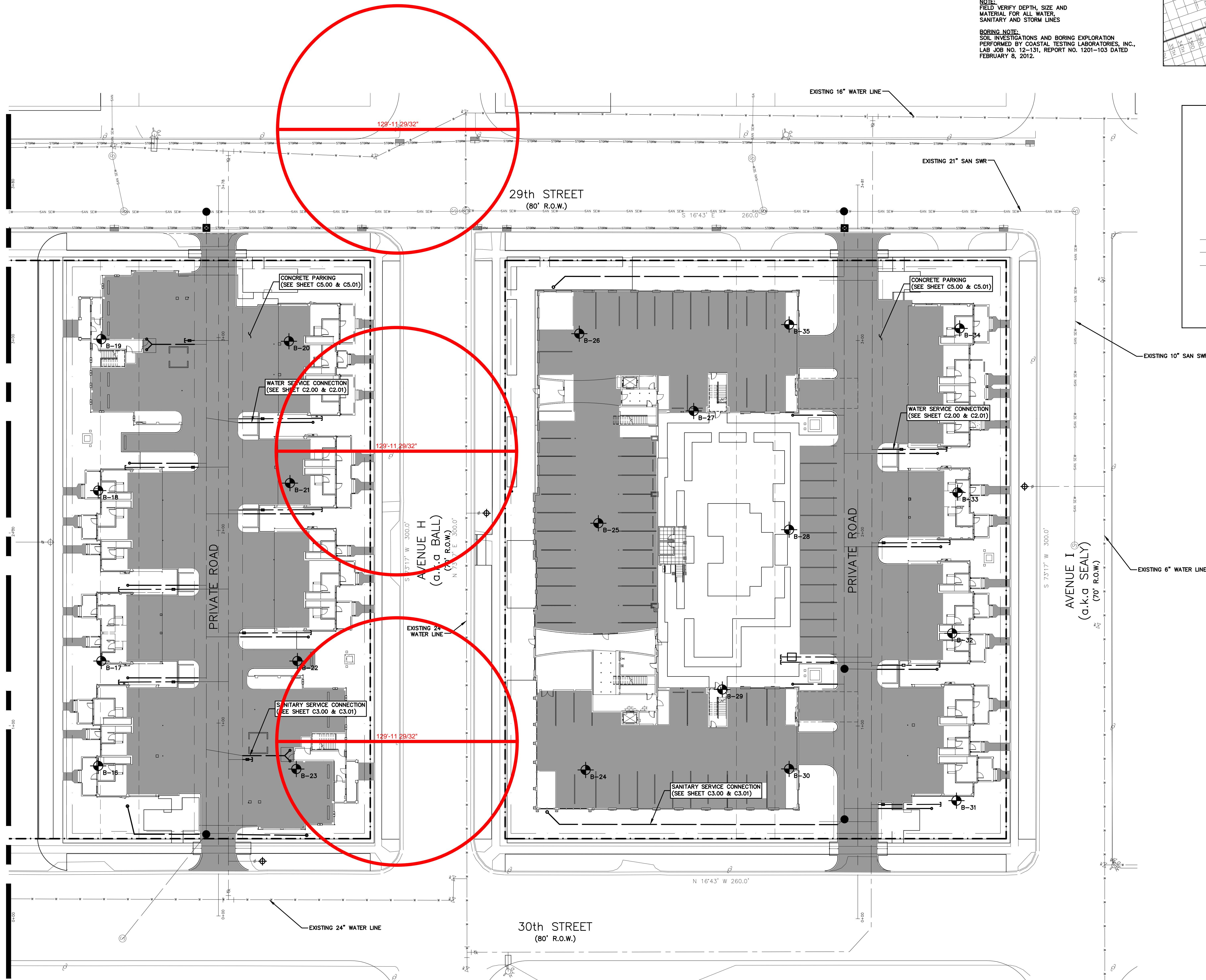
MARK	DATE	DESCRIPTION
	7-15-13	REVIEW

KAI PROJECT NO.  
 10-12011  
 TOTAL SHEET SIZE IS 42" x 30"

ISSUE DATE  
 JULY 31, 2013

SHEET NO.  
**C1.01**

MATCHLINE SHEET C1.00



**SURVEY LEGEND**

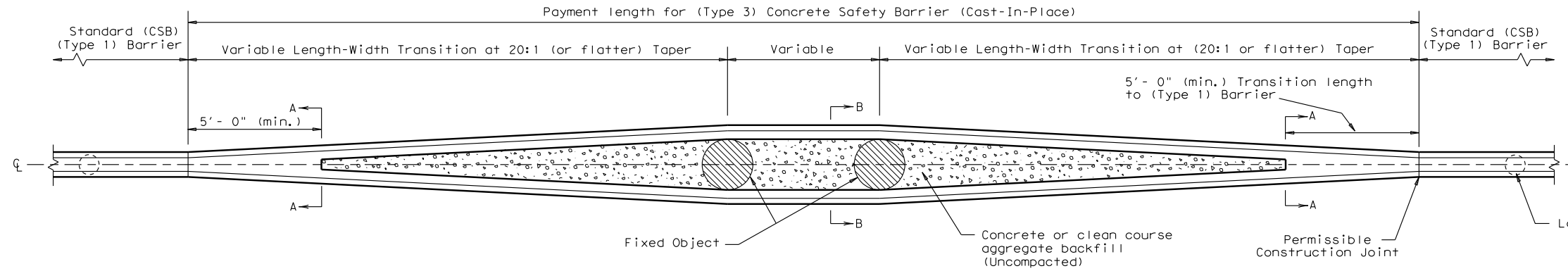
- ☉ SANITARY SEWER
- ☉ STORM INLET
- ☉ BOC BACK OF CURB
- ☉ GTR GUTTER
- ☉ MANHOLE
- ☉ WATER VALVE
- ☉ POWER POLE
- ☉ GUY WIRE
- ☉ FIRE HYDRANT
- WATER LINE
- SAN SWR SANITARY SEWER LINE
- STORM STORM SEWER LINE

**SITE LEGEND**

- ☉ B-23 BORE

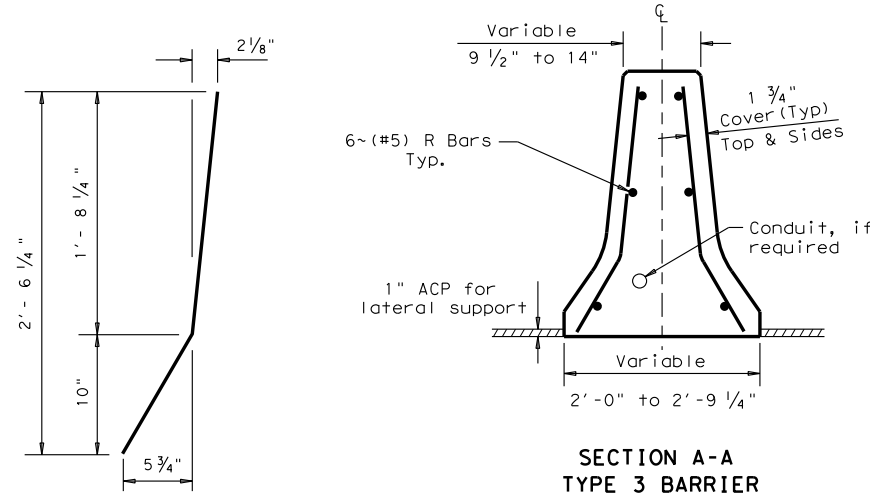
DISCLAIMER: The use of this standard is governed by the "Texas Engineering Practice Act". No warranty of any kind is made by TxDOT for any purpose whatsoever. TxDOT assumes no responsibility for the conversion of this standard to other formats or for incorrect results or damages resulting from its use.

DATE:  
FILE:



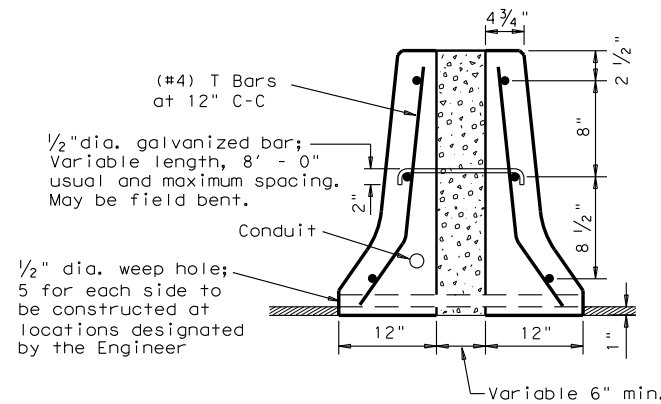
PLAN (TYPE 3) BARRIER

Lateral Support Options:  
a) 1" ACP, both sides of barrier, or  
b) 18" dia x 48" deep Drill Shaft, See CSB(2) sheet, or  
c) Rebar Anchorage, See CSB(3) sheet.



SECTION A-A  
TYPE 3 BARRIER

Note:  
Bottom of the reinforcement cage shall rest on top of the finished grade.



SECTION B-B  
TYPE 3 BARRIER

Note:  
Outside face dimensions and slopes for (Type 3) CSB are the same as for (Type 1) CSB.

(#4) T Bar

**Welded Wire Reinforcement (WWR) Option  
for Bars T and H1 (Type 3) Barrier**

**(WWR) General Notes**

1. WWR design required for (Type 3) CSB barrier: D20 vertical (12" C-C) x D31 horizontal wires spaced as shown in Section B-B.
2. Deformed Welded Wire Reinforcement (WWR) shall conform to ASTM A497.
3. Welded wire cage may be cut and bent to accommodate the drainage slots, as directed by the Engineer.
4. Welded wire splice locations shall have a "minimum" splice lap length of 12".
5. Combinations of reinforcing steel and WWR will be permitted, as directed by the Engineer. The dimension from the end of the barrier section to the first wire shall not exceed 3".

**GENERAL NOTES**

1. Axis of concrete barrier shall be vertical, except where roadway is superelevated, then axis shall be normal to roadway surface.
2. All steel that requires galvanizing shall be in accordance with Item 445, "Galvanizing."
3. Unless otherwise shown in the plans the contractor has the option of placing either precast or cast-in-place (Type 1) CSB.
4. Bid price per liner foot of (Type 1) CSB and (Type 3) CSB, including terminal and anchor sections, shall include all of the concrete, reinforcement, drilled shaft foundations and aggregate backfill.
5. All concrete shall be Class C.
6. Longitudinal and vertical bars for roadway barrier shall conform to ASTM A615 (Grade 60), unless otherwise specified.
7. At construction joints the longitudinal bars shall extend beyond the joint so that bar splices will be a minimum of two feet from the construction joint.
8. Welded wire reinforcement (WWR) may be used as an option to conventional reinforcement and shall meet area requirement for the (Type 3) R and T bars.
9. Any method devised by the contractor and approved by the Engineer that will assure the longitudinal steel for (Type 1) CSB and (Type 3) CSB will be positioned  $\pm 1/2$  inch as dimensioned will be satisfactory.
10. Conduit to be provided only when called for elsewhere in the plans. Position of conduit may be adjusted to facilitate construction subject to the approval of the Engineer.
11. See CSB(4) standard for barrier with illumination.

		<b>Design Division Standard</b>	
<b>CONCRETE SAFETY BARRIER (F-SHAPE) CAST-IN-PLACE (TYPE 3) AT FIXED OBJECTS CSB(6) - 10</b>			
FILE: csb610.dgn	DN: TxDOT	CK: AM	DW: BD
© TxDOT December 2010	CONT	SECT	JOB
REVISIONS		HIGHWAY	
DIST		COUNTY	
		SHEET NO.	

## Exhibit B

Letter from the U.S. Department of Housing  
and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

October 29, 2013

Mr. Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Dear Mr. Irvine:

In July 2013, the Galveston Housing Authority (GHA) and its development partner, McCormack Baron Salazar, Inc. (MBS) applied for tax credits to support the rebuilding of public housing at the Cedar Terrace Apartments, which was devastated by Hurricane Ike in 2008. We understand that your agency is currently reviewing an application for 4% noncompetitive Low Income Housing Tax Credits, which will also allow for the issuance of private activity bonds by the Galveston Public Facility Corporation. The sale of both tax credits and bonds will support the reconstruction of Cedar Terrace, which will contain 122 total units. Of these units, a total of 50 units will be public housing, 13 will be project based Section 8 units, and 59 will be market rate units. Other sources of funding to be invested in this project include Community Development Block Grant disaster funds, which are now being administered by the Texas General Land Office (GLO), insurance proceeds paid to GHA, Replacement Housing Factor (RHF) funds granted to the GHA by HUD, and a private mortgage.

GHA has presented HUD with its overall plan for the rebuilding of mixed-income public housing on both the Cedar Terrace and Magnolia Homes sites, and these projects will be the first two steps in rebuilding the public housing destroyed by Hurricane Ike. GHA and MBS are seeking all approvals to close and begin construction on the Cedar Terrace site by December 31, 2013. It is GHA's plan to commence the construction of the 160 mixed-income units at the Magnolia Homes site in mid-2014. HUD concurs that the mixed-income redevelopment of both the Cedar Terrace and Magnolia Homes sites will affirmatively further fair housing and that it also complies with the Conciliation Agreement between GLO and housing advocates, dated May 25, 2010. Additionally, the mixed-income redevelopment of both sites will reduce the concentration of public housing units in operation on these two sites and will also lower the concentration of poverty in these neighborhoods.

The redevelopment of Cedar Terrace is not feasible without the 4% Low Income Housing Tax Credits and accompanying private activity bonds. There are not sufficient CDBG disaster recovery funds or public housing funds available to GHA to reconstruct this mixed-income development without TDHCA's approval of these funding sources. In addition, GLO has made it clear that units developed with CDBG disaster funds need to be completed as quickly as possible. Therefore, there is no time to seek other funding to replace this important source of funds.

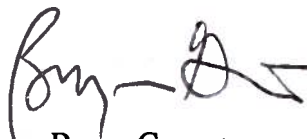
HUD's Office of Public Housing Investments (OPHI) has reviewed and approved a HUD Rental Term Sheet and other submissions for the Cedar Terrace project. OPHI expects to review

this project's legal documents over the next two months and to provide its final approval to GHA to close on this transaction and begin construction prior to December 31, 2013.


HUD looks forward to the development and operation of quality mixed-income public housing on Galveston Island. HUD will be happy to provide a similar letter to TDHCA, if requested, as we understand an application for tax credits for the Magnolia Homes mixed-income public housing project was submitted October 9, 2013.

Please contact Sara Pratt, Deputy Assistant Secretary for Enforcement, Office of Fair Housing and Equal Opportunity at 202-402-6322 or Susan Wilson, Director, Office of Public Housing Investments at 202-402-4500 if you have any questions concerning this letter.

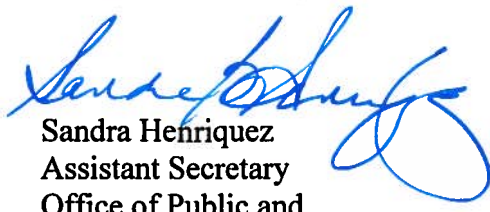
Sincerely,



Bryan Greene  
Acting Assistant Secretary  
Office of Fair Housing and  
Equal Opportunity



Mark Johnston  
Acting Assistant Secretary  
Office of Community Planning  
and Development



Sandra Henriquez  
Assistant Secretary  
Office of Public and  
Indian Housing

## Exhibit C

Public Comment Received  
after the October 10, 2013  
Board Meeting





# Goldsberry & Associates, PLLC

Attorneys and Counselors at Law

Where Winning Matters

October 22, 2013

Barbara Deane  
General Counsel  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
[barbara.deane@tdhca.state.tx.us](mailto:barbara.deane@tdhca.state.tx.us)

Ms. Deane:

It has come to our attention that your department has requested and may receive a letter from HUD stating that rebuilding public housing in the City of Galveston on the sites of units destroyed in 2008 by Hurricane Ike—Magnolia Homes and Cedar Terrace—will affirmatively further fair housing. Perhaps you believe that relying on this potential opinion from HUD will shield your department from a lawsuit should a class of plaintiffs sue for a violation of their civil rights after this department participates in the rebuilding of public housing in a way as to promote segregation and poverty in Galveston. However, any such opinion letter from HUD will offer no such legal protection. Obedience to unlawful orders or opinions contrary to facts does not excuse an actor from failing to exercise his own judgment or relieve him from liability when he breaks the law.

Though generally government employees may have qualified immunity, this doctrine protects government employees only “insofar as their conduct does not violate clearly established statutory or constitutional rights of which a reasonable person would have known.” *Coleman*, 113 F.3d at 532-33 (5th Cir. 1997) (quoting *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982)). Reliance on an opinion will not make the conduct objectively reasonable. *See generally Coleman*, 113 F.3d at 532 (noting that the trial court found that “[i]f [a defendant] responded to an illegal order...the person who gives the order and the person who obeys it and takes the action, are both responsible and neither is protected by qualified immunity.”)

By analogy, it is worth looking at the issuance of warrants in the United States Supreme Court case *Malley v. Briggs*. Briefly, an arrest warrant may be issued by a magistrate after a police officer creates an affidavit swearing to facts that constitute probable cause to arrest a suspect for an offense. If a magistrate is convinced that there is probable cause, he can issue the arrest warrant. *Malley v. Briggs*, 475 U.S. 335, 341 (1986) concerned an arrest that the suspect argued was unconstitutional even though it was based on a warrant issued by a magistrate in the process described above. He argued that the facts in the affidavit supporting the warrant did not establish probable cause, and the suspect sued the officer for a violation of his civil rights.

The officer argued that he should be immune from suit because a warrant had been issued by a magistrate. The officer argued “he is entitled to rely on the judgment of a judicial officer in finding that probable cause exists and hence issuing the warrant.” *Id.* at 345. The Supreme Court

3027 Marina Bay Dr ~ # 108 ~ League City ~ Texas ~ 77551

Phone 281-533-3030 ~ Fax 281-533-3033

[www.goldsberrylaw.com](http://www.goldsberrylaw.com)



# Goldsberry & Associates, PLLC

Attorneys and Counselors at Law

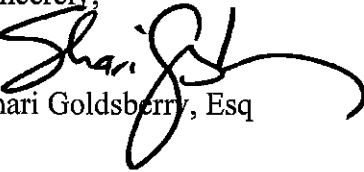
Where Winning Matters

disagreed and held that a “reasonable well-trained officer in [the same] position would have known that his affidavit failed to establish probable cause and that he should not have applied for the warrant.” *Id.* That the magistrate essentially rubber stamped the officer’s flawed affidavit did not absolve the officer from liability. The officer was still required to exercise his own judgment and was responsible for the subsequent violation of the suspect’s civil rights when he failed to use his judgment.

Just as an officer cannot rely on the issuance of a warrant from a magistrate, also here the department, as potential defendants, cannot rely on the opinion of HUD to avoid liability for violating a plaintiff’s civil rights. Reliance on another—either a magistrate or HUD—will not make a violation of a plaintiff’s rights any more reasonable.

This letter constitutes actual notice to your department that relying on HUD for an opinion to absolve the department from liability for violating the civil rights of citizens is unreasonable and wholly ineffective.

Sincerely,



Shari Goldsberry, Esq

cc:

Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
(512) 469-9606 fax  
[tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)

cc:

Cameron Dorsey  
Director, Multi-Family Finance Division  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
[Cameron.dorsey@tdhca.state.tx.us](mailto:Cameron.dorsey@tdhca.state.tx.us)

Cc:

Teresa Morales  
Texas Department of Housing and Community Affairs  
[Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)

October 31, 2013

Mr. Tim Irvine  
Executive Director  
Texas Department of Community Affairs  
P.O. Box 13941  
Austin, TX 78711-3941

Dear Mr. Irvine,

My name is Norman Pappous and I am a Galveston City Council-person representing District 4. I am writing to oppose the tax credits for the Cedar Terrace project based on the fact that the project does not affirmatively further fair housing and that federal funds will be used in violation of the Fair Housing Act.

While proponents have stated that the Cedar Terrace project affirmatively furthers fair housing, it is highly noteworthy that the project has not received approval from HUD as of this date. It is also noteworthy that no person who could be considered "a fair housing expert" by a federal court has stated that the projects affirmatively further fair housing. In fact – the opposite is true.

Dr. McClure is a nationally recognized fair housing expert. He was hired by the Galveston City Council to perform an analysis of the Cedar Terrace project. Here is the video from Dr. McClure, (who also works for HUD): <http://galvestontx.swagit.com/play/09192013-586>

From the 25:40 mark of the September 19, 2013 City Council meeting – agenda item 4 –

Dr. McClure - "I have to tell you that I think the market conditions of the two mixed-income developments you have here are not good candidates for project viability."

From the 30:40 mark of video –

Norman Pappous - "The GHA plans for Cedar Terrace affirmatively further fair housing – yes or no."

Dr. McClure- "I would say it does not. "

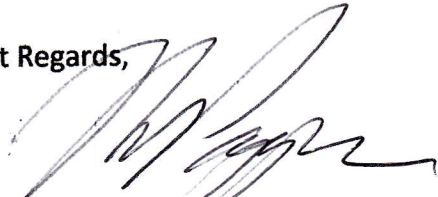
The Kirwan Institute's December, 2011 report "Moving together towards a full recovery" stated on page 9 – "It is not clear that fair housing requirements have been met, including those for accessible units."

Your body must consider the evidence presented, and its quality, when deciding this issue. Two reports have been written and the authors of each report have been recognized as experts in fair housing by one or more federal courts. Neither of these experts claimed that the plans

affirmatively further fair housing – they actually claim the opposite. Measure these expert's opinions against the stunning absence of a similarly qualified expert opinion claiming the Cedar Terrace plans do affirmatively further fair housing. HUD's opinion as a federal entity is not enough to provide conclusive opinion on the matter as their track record shows – specifically in the lawsuits Gateaux v HUD and Thompson v HUD.

In the absence of any third-party expert reports and/or opinion that the plans affirmatively further fair housing, your board has no evidence to counter the claims made by Dr. McClure and the Kirwan Institute. Accordingly I ask that the application for tax credits be denied.

Best Regards,



Norman Pappous  
City of Galveston Councilperson – District 4  
[Norman.pappous@cityofgalveston.org](mailto:Norman.pappous@cityofgalveston.org)

**From:** [Galveston Open Government Project](#)  
**To:** "[Teresa Morales](#)"  
**Subject:** Galveston Initiative II aka Cedar Terrace  
**Date:** Saturday, October 12, 2013 10:09:40 AM  
**Importance:** High

---

Ms. Morales,

This is a video commentary by John Henneberger, one of the parties to the Conciliation Agreement.

He was asked why he did not insist on a regional approach when drafting the terms of the Conciliation Agreement in order to Affirmatively Further Fair Housing.

It would just take too long to do it properly and lawfully.

Please include this in the packet for the Commissioners:  
<http://www.youtube.com/watch?v=h1mh5UqZMwk>

Best regards,

David Stanowski



## **Galveston Open Government Project**

**A Government Watchdog Group**

[gogp@att.net](mailto:gogp@att.net)

**Office 409-621-2099**

<http://www.GalvestonOGP.org>

### **PLEASE NOTE:**

**This E-Mail message, and any documents attached to it, may contain information that is PRIVILEGED, CONFIDENTIAL and/or PROPRIETARY, and is intended solely for the addressee(s) named above.**

**If you are not the intended addressee/recipient, you are hereby notified that any use of, disclosure, copying, distribution, conversion to hard copy, or other use of, or reliance on, the contents of this email communication, and its attachments, is strictly prohibited, and may result in legal action against you.**

**If you have received this communication in error, please destroy all**

**copies of this message and any attachments and notify the sender immediately.**

**Thank you.**

Exhibit D

Public Comment Received

prior to the October 10, 2013

Board Meeting



**From:** [Norman Pappous](#)  
**To:** [Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)  
**Cc:** [Elizabeth Beeton](#)  
**Subject:** Galveston Initiative II, L.P. - Tax Credit Application  
**Date:** Sunday, August 18, 2013 12:02:31 PM

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To whom it may concern,

My name is Norman D. Pappous and I represent District 4 on the Galveston, TX City Council.

I am opposed to any tax credits for the reason that the construction and relocation of residents to this site does not "Affirmatively Further Fair Housing" and, despite repeated requests, the City Council has received no written statement from HUD or GLO that claim otherwise.

Cedar Terrace is located in the highest concentration of poverty in the City of Galveston and to build federally funded housing there is therefore illegal. I urge you to review the federal court decisions in *Gautreaux v HUD*, and *Thompson v HUD*.

Best Regards,

Norman D. Pappous

Galveston City Councilman, District 4

20 August 2013

Sent via email to: [Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)

Ms. Morales,

On 16 August 2013, Mr. Gilbert Martinez, Environmental Advisor at the GLO, informed the Galveston Open Government Project (GOGP) that the results of the 8-Step Decision Making Process required by E.O. 11988 (see below) will be available “within the next month or so”.

How can the TDHCA Board make a decision on the housing tax credits for the Galveston Initiative II project before the 8-Step Decision Making Process is complete and part of the application for the Board to review?

Why is the GLO allowing the applicant to submit their application before this Process is complete? Does this mean that they have no intention of following the dictates of E.O. 11988 which directs the GLO to make every effort to find alternative sites outside of the floodplain which will lower the amount of taxpayer funds needed to build the project AND reduce the amount of risk that this project will be subjected to after construction?

Following the dictates of E.O. 11988 lowers the cost and risk to the taxpayers and the residents of the project. There are dozens of alternative sites available to the applicant that will provide the reduction of costs and risks demanded by this Order, but the fact that they are moving full speed ahead with the Cedar Terrace site seems to indicate that they have no intention of identifying and utilizing alternative sites as required.

For this reason, the GOGP would like to request that the Board suspend this application until the GLO presents its list of alternative sites as required by E.O. 11988.

***“Executive Order 11988 requires federal agencies to avoid to the extent possible the long and short-term adverse impacts associated with the occupancy and modification of flood plains and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative.”***

***“3. Identify and evaluate practicable alternatives to locating in the base floodplain, including alterative sites outside of the floodplain...”***

***“Among a number of things, the Interagency Task Force on Floodplain Management clarified the EO with respect to development in flood plains, emphasizing the requirement for agencies to select alternative sites for projects outside the flood plains, if practicable,...”***

**<http://www.fema.gov/plan/ehp/ehplaws/eo11988.shtm>**

Respectfully submitted,

David Stanowski, President  
Galveston Open Government Project, Inc.  
216 Seawall Boulevard  
Galveston, TX 77550  
409-621-2099  
[gogp@att.net](mailto:gogp@att.net)

# Carelton Courtyard Apartments

August 28, 2013

Texas Department of Housing and Community Affairs  
Waller Creek Office Building  
Teresa Morales  
507 Sabine Street  
Austin, Texas 78701

teresa.morales@tdhca.state.tx.us

Re: TDHCA Tax Credits for Cedar Terrace (Galveston initiative II) in Galveston

Dear Ms. Morales;

I am requesting TDHCA to deny tax credits to the 122 unit development at Cedar Terrace.

We own & operate 240 rental units on Galveston Island or in nearby cities in Galveston County, known as Carelton Courtyard Apartments and Guest Suites at 215 Market Street, Galveston, Texas 77550. At the present time there are so many vacancies on this island and in the County that building additional subsidized units, in addition to those already planned, will devastate our business. We are operating in a fragile rental environment at this time, and any additional units could easily put us into a negative cash flow.

There are many vacant homes and apartment units currently on the island. Some 4,500 single family homes still need to be rehabbed due to damages from Hurricane Ike. These homes have not been remodeled because there is a diminished demand for all rentals due to the verifiable population loss post Ike. If there was a demand, investors would repair and rent these homes. The numerous vacant apartments (current island occupancy is at an average of 80%) would also be seriously impacted due to remodeled and refurbished apartment units still being vacant.

TDHCA has given out so many credits in the last four years that the marketplace is now unable to fairly compete with subsidized units that have lower operating costs due to various federal and state tax credits, property tax exemptions or caps. Our pre-Ike population of 58,000 residents is now down to 47,000.

Please do not give any tax credits to this development. Your doing so will only make matters worse and will most likely cause existing housing to go to waste and eventually be removed from the tax rolls. All of the land for all proposed units will not be on the tax rolls and 59 of these 122 proposed units will NOT be on the property tax rolls. This, coupled with the recent unprecedented increases in flood insurance taking place in October, will most likely be the beginning of the end for Galveston County private sector housing. Competing with units not paying comparable property taxes constitutes unfair competition.

Respectfully;



Liana Smith

Property Manager

Carelton Courtyard Apartments and Guest Suites

cc: / B. Elton - 8/28

B. Pisaturo

GCAA

**From:** [Charles](#)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** Public Housing Tax Credits in Galveston  
**Date:** Saturday, August 17, 2013 2:49:41 PM

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Ms. Morales,

I do not believe that MBS should be awarded with a financing vehicle that will make it more profitable for them to rebuild segregated reservations of poverty north of Broadway in Galveston. This effort by McCormick Baron and Salazar to be awarded tax credits for rebuilding Cedar Terrace public housing is widely opposed and should be rejected by TDHCA. Thank you,

Charles Wiley

16 August 2013

Re: Galveston Initiative II, L.P. aka the rebuilding of Public Housing at the Cedar Terrace site

To: The Texas Department of Housing and Community Affairs  
(TDHCA) Board of Directors  
221 East 11th Street  
Austin, Texas 78701-2410

Sent via email to:  
Teresa Morales  
[Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)

Members of the Board, you have received a set of plans for this project along with hundreds of pages of supporting materials that make it look quite appealing on paper. There is little doubt that if it were to be completed, it would produce some well-built and nice looking buildings, but that is NOT the real issue for your consideration. **You must consider how the location of this project will affect the residents, not the buildings.**

The Galveston Open Government Project (GOGP) does not object to this project being built, we simply argue that **it should NOT be built at this location.** After reviewing the short summary of the problems and deficiencies with this site, provided below, we hope that you will share our deep concerns and decline to issue housing tax credits for any project to be built on this site. We have a great deal more evidence to support our position, if you would like to review it, but **what we have provided should be sufficient to demonstrate this site's unsuitability.**

The Cedar Terrace site, in Galveston, where the applicant proposes to build the Galveston Initiative II, **is clearly the worst site in the entire County for Public Housing for the simple reason that it has the highest level of poverty.** Building in a census tract with hyper concentrated poverty **will violate the Fair Housing Act,** and is contrary to many judicial rulings in fair housing cases.

In ICP v. TDHCA, the court found in favor of ICP on its disparate impact claim against the TDHCA under 3604(a) and 3605(a) of the Fair Housing Act (FHA) which left no doubt that **the TDHCA is subject to the current definitions and applications of the Fair Housing Act when it selects where to allocate the State's housing tax credits.**

The Cedar Terrace site is so obviously unacceptable that it begs the question **why there is so much political pressure to build this project on this particular site,** and not on a site that would conform to all of the fair housing laws? This issue is not addressed in the application before you. This is what the applicant does not want you to consider, because if you do, you will never allow this project to be built on this site. However, in all fairness, **the applicant did not choose this site; it was forced on the applicant by local "special-interest groups".**

The reason that this project is slated to be built on an unacceptable, and in fact unlawful site, is simply because these **local "special-interest groups" have been able to "pressure" local, state, and federal authorities to do so,** in a corrupt political bargain, because building on this site provides these groups political power and financial gain.

In May 2012, the voters in the City of Galveston finally had had enough of the undue influence on local public policy that these groups enjoyed, and elected six of seven City Councilmembers who **promised to shut down the isolated segregated reservations of poverty** north of Broadway, and replace them with either a voucher system or a regional Public Housing plan that would fully conform to the requirements and the spirit of the Fair Housing Act.

However, within days after the election, Councilmembers had already begun to buckle under the pressure from these “special-interest groups”. By the time of the final vote, on 28 September 2012, **four of the six broke their promises to integrate Public Housing, and we are back to the unlawful segregated plan you must consider today.** It is has been a enormous disappointment to the voters of this city to have these Councilmembers deviate from their campaign promises in such a dramatic way, but they are clearly afraid of these “special-interest groups”.

Recently these same groups were **alleged to have interfered with the federal procurement process** for the Human Capital Plan that the Galveston Housing Authority (GHA) put out on an RFP, and they were referred to federal and state authorities for investigation.

<http://www.GalvestonOGP.org/GHA/Human-Capital-1.pdf>  
<http://www.GalvestonOGP.org/GHA/Human-Capital-2.pdf>

When the rebuilding of Public Housing became necessary after Hurricane Ike, **there was absolutely no effort to start with a clean slate and search for the best sites throughout the County,** as required by HUD and numerous court rulings, because tremendous political pressure was applied to force rebuilding at the former Public Housing sites, especially this one, **regardless of the harm it would do to the residents.**

The corrupt political decision to rebuild at the Cedar Terrace site has **completely ignored what is best for the impoverished residents of Public Housing in violation of several laws.** Under the current application of these laws, as refined by judicial rulings, **Public Housing is supposed to be built in so-called “high-opportunity neighborhoods”** (HOAs) that will offer its residents the best chance to escape from poverty. A census tract with 61% of its residents living below the poverty level is the very definition of a low-opportunity neighborhood; the exact opposite of an acceptable location, and completely unsuitable for Public Housing.



Who are these “local special-interest groups” who want this project built at this site so very badly? If you receive any letters in support of this application, they are likely to be from them, or were written at their “request”. The only other “support” for this application could come from uniformed sources unfamiliar with the conditions at the site and in the neighborhood that surrounds it.

If you do not stand in opposition to the pressure from these local “special-interest groups”, and deny this application, **it will condemn several more generations of impoverished minorities to live in the isolated reservations of segregated poverty** that this application supports.

Fundamental reasons why the Board should reject this application for housing tax credits to rebuild on the Cedar Terrace site:

## 1. Poverty

In ICP v. TDHCA:

<http://www.tdhca.state.tx.us/multifamily/htc/inclusive-communities-project.htm>

<http://www.danielbesharalawfirm.com/Pages/ICPvTDHCA.aspx>

In a memorandum of opinion and order filed March 20, 2012, *“the court finds in favor of ICP on its disparate impact claim under the FHA...”* Page 39. In other words, **the court found that the TDHCA violated the Fair Housing Act, in the Dallas metro area, by issuing housing tax credits for projects in unacceptable locations.**

<http://www.danielbesharalawfirm.com/Documents/memorandum%20opinion%20and%20order%202012%20WL%20953696.pdf>

**The court adopted a remedy** which was designed to prevent the TDHCA from FHA violations in the future, and while the TDHCA has not yet adopted it as an administrative remedy statewide,

and the court did not order it as a statewide judicial remedy, it is very instructive as to what most likely will not pass judicial scrutiny on the use of housing tax credits in the City of Galveston.

*“The Plan embraces the notion of providing maximum permissible incentives for areas that truly reflect the **greatest opportunity**, namely those **areas with the highest income, lowest poverty, and best public education opportunities.**”* May 18, 2012 Remedial Plan, Page 3  
<http://www.danielbesharalawfirm.com/Documents/TDHCA%20notice%20of%20proposed%20remedial%20plan.pdf>

The Cedar Terrace site cannot possibly meet those criteria.

*“In order to qualify as being in an HOA (High Opportunity Area), a development must be in a census tract that has **BOTH a low incidence of poverty AND an above median income as well as being located in an area served by either recognized elementary schools or having a significant and accessible element of public transportation.**”* May 18, 2012 Remedial Plan, Page 5  
<http://www.danielbesharalawfirm.com/Documents/TDHCA%20notice%20of%20proposed%20remedial%20plan.pdf>

The actual scoring system used in the remedy is looking for placement in census tracts where the **poverty rate is less than 15%, AND household income is in the top quartile for the county, and the schools are rated exemplary or recognized by the TEA.** May 18, 2012 Remedial Plan, Page 6  
<http://www.danielbesharalawfirm.com/Documents/TDHCA%20notice%20of%20proposed%20remedial%20plan.pdf>

**The poverty rate in the Cedar Terrace neighborhood is 61%, FOUR TIMES HIGHER than what the court ruled was acceptable in the Dallas metro area, household income is in the bottom quartile in the County, and the nearby school is NOT rated exemplary or recognized by the TEA.**

**Clearly building at this location is unconscionable due to the level of poverty and is highly unlikely to pass judicial scrutiny.**

The ICP case is not absolute precedent for the rest of the State, and there may be slight differences in how rulings are applied to 4% and 9% tax credits, however, **there is simply no way that the TDHCA can justify trapping impoverished minorities in this poverty-stricken neighborhood for the next few generations**, just to appease the “special-interest groups” that demand that this project must be built on this site.

Build it in a high-opportunity neighborhood somewhere else in the County, and let the Galveston Housing Authority sell this land for industrial and/or commercial use. A residential development of any kind should not be built here.

## 2. Segregation

The Fair Housing Act mandates that Public Housing be built in locations that will reduce racial segregation. Typically this means it should be built in majority White areas. **The 2010 census found that the census tract containing the Cedar Terrace site has a population that is 60% Black and 34% Hispanic!**

The Galveston Housing Authority’s Human Capital Plan states that **the population that they intend to return to Cedar Terrace is 80% Black and 12% Hispanic**. This means that there is no conceivable way that building in this location will reduce racial segregation, and yet, the application is to build on this site!

Once again, everyone involved in this project knows why it should not be built in this location, but they push on in spite of this knowledge to appease the “special-interest groups” that demand that it be built here.

Clearly **building on this site will violate the Fair Housing Act for two fundamental reasons; the failure to de-concentrate poverty and the failure to de-concentrate racial segregation**. Building here will aggravate both demographic metrics.

## CFR 941.202: Site and Neighborhood Standards

All Public Housing construction must meet the strict standards of CFR 941.202:

<http://www.gpo.gov/fdsys/pkg/CFR-2000-title24-vol4/xml/CFR-2000-title24-vol4-sec941-202.xml>

*“Proposed sites for public housing projects to be newly constructed or rehabilitated must be approved by the field office as meeting the following standards:”*

*“(b) The site and neighborhood must be suitable from the standpoint of **facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063, and HUD regulations issued pursuant thereto.**”*

The Cedar Terrace site and its neighborhood are not suitable under CFR 941.202 (b), because it does NOT further full compliance with the Civil Rights Act and the Fair Housing Act.

*“(c)(1) **The site for new construction projects must NOT be located in: (i) An area of minority concentration unless (A) sufficient, comparable opportunities exist for housing for minority families, in the income range to be served by the proposed project, outside areas of minority concentration, ...***

The Cedar Terrace site and its neighborhood are not suitable under CFR 941.202 (c), because it is located in an area of minority concentration AND comparable opportunities for the target population do NOT exist outside areas of minority concentration.

*“(d) The site must promote greater choice of housing opportunities and **avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.**”*

The Cedar Terrace site and its neighborhood are not suitable under CFR 941.202 (d), because it is located in areas of high concentrations of low-income persons, including the 192 project-based vouchers at Sandpiper Cove just a few blocks away.

*“(e) The site must **be free from adverse environmental conditions**, natural or manmade, such as instability, **flooding**, septic tank back-ups, sewage hazards or mudslides; harmful air pollution, smoke or dust; excessive noise vibration, vehicular traffic, rodent or vermin infestation; or fire hazards. The neighborhood must not be one which is **seriously detrimental to family life** or in which **substandard dwellings** or other **undesirable elements predominate**, unless there is actively in progress a concerted program to remedy the undesirable conditions.”*

The Cedar Terrace site and its neighborhood are not suitable under CFR 941.202 (e), because it is located in an area of adverse environmental conditions, it is seriously detrimental to family life, and substandard dwellings and undesirable elements predominate in the neighborhood.

*“(g) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and services **that are at least equivalent to those typically found in neighborhoods consisting largely of similar unassisted standard housing.**”*

The Cedar Terrace and Magnolia Homes sites and neighborhoods are not suitable under CFR 941.202 (g), because they are located in areas that are NOT accessible to facilities and services that are equivalent to neighborhoods of similar unassisted housing.

### 3. Environmental

## Environmental Justice

*“Many communities are exposed to disproportionate health and environmental dangers because of their social, economic, or political position. **The impacts of agency projects must take account of these disproportionate dangers and alleviate them when recognized.** Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” establishes that the agency **“shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations.”** More information on environmental justice is in the Council on Environmental Quality publication, “Environmental Justice Guidance under the National Environmental Policy Act”. ”*

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/FHLaws/EXO12898](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/EXO12898)

In short, E.O. 12898 says that you can not use federal funds to subject minority and low-income populations to environmental conditions that are worse than those typically experienced by White middle-class populations.

There are five primary ways that building on the Cedar Terrace site will violate E.O. 12898:

### a. Flooding

Hurricane winds push ocean water ahead of them, so they cause the flooding of low lying areas near the coastline, and on barrier islands. The lower the land and the closer to the coastline the more risk it has from hurricane flooding. **E.O. 12898 and E.O. 11988 should eliminate hurricane flood zones from consideration for Public Housing as a matter of public safety and the prudent use of taxpayer funds!**

**E.O. 11988 mandates that a study be done to look for alternatives to using federal funds to build in a flood plain; something that the applicant has not yet produced for your review and consideration.** There are many high-opportunity neighborhoods on the Mainland that do not have the flood risk from hurricanes found on Galveston Island.

### Description and Intent

***“Executive Order 11988 requires federal agencies to avoid to the extent possible the long and short-term adverse impacts associated with the occupancy and modification of flood plains and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative. In accomplishing this objective, “each agency shall provide leadership and shall take action to reduce the risk of flood loss, to minimize the impact of floods on human safety, health, and welfare, and to restore and preserve the natural and beneficial values served by flood plains in carrying out its responsibilities for the following actions:***

- ***Acquiring, managing, and disposing of federal lands and facilities;***
- ***Providing federally-undertaken, financed, or assisted construction and improvements;***
- ***Conducting federal activities and programs affecting land use, including but not limited to water and related land resources planning, regulation, and licensing activities.”***

### Summary of Requirements

***“The guidelines address an eight-step process that agencies should carry out as part of their decision-making on projects that have potential impacts to or within the floodplain. The eight steps, which are summarized below, reflect the decision-making process required in Section 2(a) of the Order.***

1. Determine if a proposed action is in the base floodplain (that area which has a one percent or greater chance of flooding in any given year).
2. Conduct early public review, including public notice.
3. Identify and evaluate practicable alternatives to locating in the base floodplain, including alternative sites outside of the floodplain.
4. Identify impacts of the proposed action.
5. If impacts cannot be avoided, develop measures to minimize the impacts and restore and preserve the floodplain, as appropriate.
6. Reevaluate alternatives.
7. Present the findings and a public explanation.
8. Implement the action.

Among a number of things, the Interagency Task Force on Floodplain Management clarified the EO with respect to development in flood plains, emphasizing **the requirement for agencies to select alternative sites for projects outside the flood plains, if practicable, and to develop measures to mitigate unavoidable impacts.**”

<http://www.fema.gov/plan/ehp/ehplaws/eo11988.shtm>

<http://www.fema.gov/plan/ehp/ehplaws/attachments-laws/eo11988.pdf>

[http://www.access.gpo.gov/nara/cfr/waisidx\\_03/44cfr9\\_03.html](http://www.access.gpo.gov/nara/cfr/waisidx_03/44cfr9_03.html)

At this time, the applicant has not yet completed the 8-step evaluation process REQUIRED by E.O. 11988, identified alternative Public Housing sites outside of the floodplain, and presented a legitimate reason for building in a floodplain when many much better alternative sites exist, especially on the Mainland! Even when the applicant eventually completes the 8-step evaluation process, it should be obvious that the applicant has absolutely no legitimate justification for building in this high-risk floodplain, **at much higher cost to the taxpayers, and much higher risk of damage from future flooding, when many safer sites exist on the Mainland; sites that are also in high-opportunity neighborhoods.**



[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/com\\_m\\_planning/environment/lawsandregs/compliance/forms/trngmanual/chapt2compliance](http://portal.hud.gov/hudportal/HUD?src=/program_offices/com_m_planning/environment/lawsandregs/compliance/forms/trngmanual/chapt2compliance)

## b. Wind

**Hurricanes are powered by warm ocean water**, so the minute that they move inland they begin losing wind speed. This means that any location right on the coast, including barrier islands, has the highest risk from wind damage.

**Locations for Public Housing near the coastline and on barrier islands are very poor choices as a matter of public safety and due to the higher cost to the taxpayers!**

**Building Public Housing on a barrier island puts Public Housing residents, and their personal property, at much greater risk from hurricane winds than if it was built only a few miles inland.**

## c. Contamination

There are **54 identified “Facilities of Interest” and/or “Brownfields” within 3,000 feet of the perimeter of the Cedar Terrace site**. 3,000 feet is the distance set forth for scrutiny in HUD Form 4128, Page 5, Item 23.

The environmental analysis contracted for by the applicant acknowledged some of these 54 sites and also tested water and soil samples from the site itself. **Many of the water and soil samples were contaminated with arsenic, lead, mercury and polyaromatic hydrocarbons (PAH) above acceptable levels**. Water contamination was ignored, because residents won't be using water from the site, but the water beneath the site can certainly transport contamination throughout the soil.

The 12 July 2013 letter from SCI Engineering, that is part of this application states, ***“soil samples collected from the site exceeded the regulatory threshold for residential***

**developments.”** SCI Engineering went on to recommend removal of the top 12” of soil, replacement with clean soil, and a “cap and cover” of the entire site.

<http://www.GalvestonOGP.org/GHA/SCI-Voluntary-Cleanup-Marked.pdf>

**These water and soil samples raise very serious questions about whether the proposed remediation is acceptable under E.O. 12898.** This project is in a low-income minority neighborhood and its target group of residents is additional impoverished minorities. **No developer would build apartments on this site if the target group were middle-class White residents, because it would surely fail to gain enough residents to be financially viable.** Therefore, it must violate the dictates of E.O. 12898 by subjecting low-income minorities to contamination risk that middle class White people would surely find unacceptable.

#### **d. Industrial/Commercial Neighborhood**

**The Cedar Terrace site is NOT in a viable residential area of the City.** Most of the area around it is has commercial or industrial zoning, and uses, or is abandoned residential. A visit to the site will make it obvious that this location will be **totally unappealing for an apartment development targeted at middle-class White residents** which means a Public Housing development cannot be built on this site for impoverished minority residents without violating E.O. 12898.

#### **e. Concentration of Public Housing**

The 7246 census tract containing the Cedar Terrace site is **also the location of the infamous and notorious Sandpiper Cove apartments that feature 192 project-based voucher units** that were financed with housing tax credits. Sandpiper Cove has created the worst crime problem in the entire city.

Building another 63 Public Housing and project-based voucher units within a few blocks of Sandpiper Cove will also violate many of the laws discussed above and the guidelines for the proper placement of tax credits units.

#### 4. Mixed Income

The pretense and excuse for building this project on this site is that it will be “mixed-income” and not 100% Public Housing. **The applicant wants you to believe that the “mixed-income” approach solves all of the problems outlined above. It does not.**

First, the whole theory of mixed-income is just the latest iteration in a whole series of failed Public Housing experiments. When the failures of the current fad can no longer be hidden, they just trot out a new experiment. **Professor Robert C. Ellickson has found little added benefit even from “successful” mixed-income developments.**

<http://www.uclalawreview.org/pdf/57-4-3.pdf>

However, this project will NOT be among the “successful” mixed-income developments. For it to be “successful”, middle-class people must occupy all of the market-rate units. There is no one in this city who actually believes that will happen, because of its location on the Cedar Terrace site. **If they are not filled with middle-class tenants, they will either remain empty, or eventually they will be filled with HCV holders.** In either case, the mixed-income aspect of the project will NOT be “successful”.

In addition, this city has over **7,000 vacant housing units**. That means that more than 23% of all the housing units in the city are vacant. That’s a higher percentage than in Detroit! **There is an over abundance of available housing, and, therefore, there is no need and no demand for these market rate units.** Given the small size of the City and the amount of vacant units, there is no incentive for middle class people to live in this neighborhood given the information about it shown above.

If middle class people even come to look at the development, they will be greeted by **“a highly visible “witness barrier” as a warning barrier for future excavation on the site”**.

<http://www.GalvestonOGP.org/GHA/SCI-Voluntary-Cleanup-Marked.pdf>

In other words, they will be welcomed by signs noting the contamination on the site that the applicant wants them to live on.

### Conclusion:

The Texas Department of Housing and Community Affairs is the lead affordable housing agency for the State of Texas, and has the **primary responsibility to ensure the State’s compliance with the Fair Housing Act**.

The TDHCA also has the primary responsibility to ensure the State’s compliance with Chapter 301 of the Texas Property Code (The Texas Fair Housing Act) which closely mirrors the federal Fair Housing Act.

The TDHCA sets forth administrative rules **designed to allocate housing tax credits to developers in a manner that MUST Affirmatively Further Fair Housing** and that does not violate the Fair Housing Act.

In ICP v. TDHCA, the court found that the TDHCA was not allocating the housing tax credits in a manner that conformed to the requirements of the FHA in the Dallas Metropolitan Area.

The basic changes in TDHCA’s scoring system due to the ICP case were noted above, but the ruling and remedy also looks for **factors that should be used to EXCLUDE certain locations from eligibility to receive housing tax credits so as not to violate the FHA**. These factors include:

*“As a part of the Plan, the Department will continue to include the same or similar criteria in its QAPs for **disqualifying***

**proposed sites that have undesirable features.** Additionally, the Department will incorporate a more robust process to **identify and address other potentially undesirable site features** in future QAPs. Under this criterion, an applicant proposing development of multifamily housing with tax credits must disclose to the Department and may obtain the Department's written notification of pre-clearance **if the site involves any negative site features at the proposed site or within 1000 feet of the proposed site such as the following:**

**a. A history of significant or recurring flooding;**

**b. A hazardous waste site or a source of localized hazardous emissions, whether remediated or not;**

**f. Significant presence of blighted structures;**

**h. Locally known presence of gang activity, prostitution, drug trafficking, or other significant criminal activity that rises to the level of frequent police reports.”** May 18, 2012 Remedial Plan Pages 13-14

<http://www.danielbesharalawfirm.com/Documents/TDHCA%20notice%20of%20proposed%20remedial%20plan.pdf>

**In short, there are numerous reasons for the TDHCA to exclude this site from further consideration.**

Finally, as stated above, the Galveston Open Government Project is NOT opposed to the construction of the Galveston Initiative II development; **we are simply opposed to it being built in a location that will offer so little opportunity to its impoverished minority residents, and that will violate so many laws.** Therefore, we ask you not to facilitate the violation of the Fair Housing Act, E.O. 12898, E.O. 11988 and CFR 941.202 by granting these housing tax credits. **Please reject this application until this development is moved to a suitable location; do not let these local “special interest” groups trap low-income minority families in this neighborhood for several more generations.**

Respectfully submitted,

David Stanowski, President  
Galveston Open Government Project, Inc.  
216 Seawall Boulevard  
Galveston, TX 77550  
409-621-2099  
[gogp@att.net](mailto:gogp@att.net)

**From:** [Galveston Open Government Project](#)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** Confirmation of the need to delay this application  
**Date:** Wednesday, August 28, 2013 7:12:53 AM

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## Environmental study pushes back housing start date

By **JOHN WAYNE FERGUSON** | Posted: Wednesday, August 28, 2013 12:02 am

GALVESTON — The start of construction of one of the island’s mixed-income housing projects will be delayed at least a month — and possibly into the new year.

A required environmental survey commissioned by McCormack Baron Salazar, the developer building the Cedar Terrace development, revealed levels of heavy metals and other chemicals in the soil. **The results required that another study be completed to determine what, if any, measures must be taken to address the problem.**

The housing authority had planned to break ground on Cedar Terrace in November, but officials said the extra environmental requirements would push that plan into December.

Cedar Terrace is planned to include 60 units for low- to middle-income residents in the area north of Broadway between 29th and 30th streets.

However, the housing authority has a Dec. 19 deadline to complete its agreement on the bonds it is using to finance the projects. State law requires that bond agreements be reached within 150 days of the start of negotiations. If the housing authority cannot close its agreement by Dec. 19, it will need to restart the process.

Housing authority Chairman Irwin “Buddy” Herz said the authority’s board of commissioners had urged McCormack Baron Salazar to work as quickly as possible.

“I think we made it very plain in our conversations that we expect that MBS get this matter taken care of, and we do not expect any delay which would take us past Dec. 19,” Herz said.

William Sullivan of the construction firm Sullivan Interests Inc., which will be building the Cedar Terrace development, told the board of commissioners Tuesday that the presence of contaminants on the site is not surprising.

The likely solution would be to pave over the area with concrete or asphalt to create a barrier between the dirt and future residents. In areas that are not paved, the construction company would likely have to remove a layer of dirt and replace it with clean soil.

Michael Saunders, director of the design and construction department at McCormack Baron Salazar, said **the company planned to submit its part of the more extensive environmental review at the end of September.**

“We wouldn’t build a place for kids that wasn’t entirely safe,” he said.



## **Galveston Open Government Project**

**A Government Watchdog Group**

[gogp@att.net](mailto:gogp@att.net)

**Office 409-621-2099**

<http://www.GalvestonOGP.org>

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**Thank you.**

**From:** [LeonardJLaMagna@aol.com](mailto:LeonardJLaMagna@aol.com)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** TDHCA TAX CREDITS GALVESTON, TX  
**Date:** Saturday, August 31, 2013 7:39:12 PM

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Dear Teresa,

My name is Leonard J LaMagna and I own and reside in Galveston. I had purchased my home seven years ago and spent over \$220,000.00 in renovations. The house was open this year to Galveston Historic Homes Tour with over 4,000 people attending. Our neighborhood is rebounding after Hurricane Ike and granting tax credits for the Cedar Terrace could and will probably have a negative impact in the historic district.

I am greatly concerned about the state granting tax records to the Cedar Terrace Project. It is in an area of buildings that have been abandoned and poor conditions exist in the entire area. I understand from the newspapers that the soil contains heavy metals and may have to be re mediated. Are we looking at another Love Canal which will come back and haunt us at a later date.

The previous Cedar Bayou Terrace had socio-economical problems leading to drugs and robberies in the area. This is not the type of housing that will invite folks to Galveston for investment. It could lead to housing prices falling.

I am asking for the state to please evaluate this situation and come to the conclusion that no tax credits should be given to the project.

Thank you for your consideration.

Leonard J LaMagna  
1616 Winnie  
P.O. Box 354  
Galveston, TX 77553

**From:** [Bob Kerr](#)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** Galveston Initiative II, LP  
**Date:** Wednesday, August 21, 2013 12:45:03 PM

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I understand that there is a move to rebuild Cedar Terrace. Unless there is a sudden influx of businesses or companies in Galveston that will create a large number of jobs I can't see why there is a need for a housing project. Why entice low income people into Galveston when there are no new industries or job opportunities in Galveston? This is definitely not in the best interest of the city.

**From:** [Alan Kamen](#)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** Request to Postpone Galveston Initiative II tax credit application  
**Date:** Wednesday, September 04, 2013 1:06:39 PM

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Dear Ms. Morales,

From what we understand, Galveston Initiative II is on TDHCA's Sept. 12, 2013 agenda for consideration of 4% tax credits.

We are asking you to postpone your consideration of their application, for the following reasons.

1) GHA has failed to complete the 8-step process, as required by E.O. 11988. This Federal Executive Order prohibits building in a flood plain without pursuing practicable alternatives, outlined by the 8 step plan. All of Galveston is in a flood plain, and there are many alternatives to building there. GHA has not pursued them, thereby increasing the cost of construction by a commonly accepted industry standard of +30% to build on the island, as well as exposing their clients to undue risk.

2) GHA has not yet come up with a plan to remediate the significant environmental issues found on this site, which includes unacceptable levels of arsenic, lead, and mercury, as determined by SCI Engineering in over 600+ pages of reports. GHA has committed to produce a remediation plan by Sept. 20, which then must be reviewed by TCEQ, a process which could take an additional 45 days. Even IF approved by TCEQ, the cost and extent of required remediation remains to be determined, ultimately affecting the financial feasibility of this project.

3) GHA neglected to submit a request to HUD for the waiver of requirement to conduct an open and competitive RFP for it's Project-Based Voucher units. Without benefit competitive bids, it could be difficult for TDHCA to truly evaluate this project. If HUD does NOT grant a waiver, the issue will be moot.

Therefore, we feel it is premature for TDHCA to consider Galveston Initiative II application for tax credits at this time.

We hope you will remove it from the Sept. 12 agenda, until such time as all the above information and requirements have been fulfilled.

Thank you,

Alan and Jul Kamen, property owners in Galveston

115 Cold Springs Dr.  
Georgetown, TX 78633

From: [Alan Kamen](mailto:Alan.Kamen)  
To: [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
Subject: Public Comment to Galveston Initiative II, L.P.  
Date: Thursday, August 22, 2013 1:33:43 PM

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**22 August 2013**

**Re: Galveston Initiative II, L.P. aka the rebuilding of Public Housing at the Cedar Terrace site**

**To: The Texas Department of Housing and Community Affairs (TDHCA) Board of Directors  
221 East 11th Street Austin, Texas 78701-2410**

**Sent via email to: Teresa Morales [Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)**

**To TDHCA:**

**We are writing in strong opposition to the granting of any tax credits for Galveston Initiative II, L.P. aka the rebuilding of Public Housing at the Cedar Terrace site, Galveston, TX. We submit the following reasons:**

**1) Violation of Fair Housing Act**

**The building of public housing--in any form--on the proposed site will result in a clear and flagrant violation of The Fair Housing Act. The act states that public housing must "not concentrate poverty or segregate minorities". The application before you for the Cedar Terrace site does both extremely well! ICP v. TDHCA, a similar case involving tax credits in Dallas, resulted in finding AGAINST TDHCA, for the exact same violation. However, theirs was not nearly as flagrant as the violation at Cedar Terrace will be, if allowed to proceed! The remedy in Dallas was to site tax-credit units in locations of less than 15% poverty. Cedar Terrace census tract is 61% poverty--the highest in the entire county! As for segregating minorities, it is 59.9% black and 34.1% Hispanic. A worse location could not have been found.**

**Violating the Fair Housing Act should be more than enough, in itself, to shut this entire project down. But wait, it gets worse!**

**2) Violation of Executive Order 11988, Building in a Flood plain**

**This order requires federal agencies to "avoid development in a flood plain when practicable alternatives are available". An 8-step process to identify alternatives must be followed and submitted in order to proceed. All of Galveston Island is in a flood plain, with the site at Cedar Terrace being one of the lowest lying and most susceptible. There are many other alternatives available within the county, offering safer conditions, better opportunities, at a fraction of the cost. For example, entire apt. complexes can be simply purchased on the mainland, in better neighborhoods, offering increased economic and educational opportunities, which are not in the floodplain, for as low as \$30k per unit, vs. the \$260-\$300k per unit put forth by Galveston Initiative II. But MBS has not pursued them.**

### **3) Violation of CFR 941.202: Site and Neighborhood Standards**

**These standards require a site being free from: adverse environmental conditions, harmful air pollution, excessive noise vibration, vehicular traffic, substandard dwellings, and undesirable elements. The Cedar Terrace site is home to ALL of these! It is a narrow strip of land situated between 2 major highways, train tracks, warehouses, water storage tanks, an abandoned brewery, and the port. It has been a commercial and industrial area for decades, for which it is best suited. The single other largest development there now is 192 unit Sandpiper Cove, a 100% project based Section 8 property. The remaining abandoned, substandard homes between the vacant lots are breeding grounds for drug activity and prostitution. This census tract has the highest crime rate and calls for service of any in the city. Recent soil testing has revealed 54 sites in the immediate area of the planned development which are considered "Brownfields" and contain unacceptable levels of arsenic, lead, and other contaminants. Costly remediation, if even attempted, would not solve the problem as it's location in a flood plain would eventually expose it to re-contamination spread by the inevitable flood waters which WILL OCCUR AGAIN!**

**Currently HUD is promoting the idea of locating public housing in High Opportunity Areas (HOA). In keeping with this, the judge's remedy in the ICP v. TDHCA ruling defines a HOA as having both a low incidence of poverty and ABOVE median income, in a recognized school district. Galveston has the lowest median income in the county, and 69.2% of children in the city are on free or reduced lunch.**

**If TDHCA does NOT want to become a party to concentrating poverty and segregating minorities, in a flood plain, on top of toxic waste sites, at a 30% increased cost of construction, along with higher flood and windstorm insurance rates, added costs of evacuation and relocation, soil remediation, in the lowest opportunity census tract in the county for jobs, education, with the lowest median income, then:**

**Please vote to DENY any tax credits for Galveston Initiative II, L.P.**

**Thank you,  
Jul and Alan Kamen, property owners in Galveston  
115 Cold Springs Drive  
Georgetown, TX 78633**

**From:** [Irma Hite](#)  
**To:** [Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)  
**Subject:** TDHCA Tax Credits  
**Date:** Saturday, August 31, 2013 7:48:07 PM

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Teresa Morales,

My wife and I have raised our children in Galveston where we have lived for over 30years. We are well aware of the projects that confined people to the old part of town which is devoid of businesses, grocery stores, drug stores, banks, post offices, libraries and even convenience stores. Other than the projects this region consists of mostly vacant lots and a few abandoned buildings, but no real neighborhoods. The projects have been a magnets for drugs and crime. We understand that since Ike, people are given vouchers which allow them to live near jobs and schools.

We feel that vouchers are the way to help the needy and that construction of projects such as Cedar Terrace is not in the interest of the needy nor the greater community in which they are located. Consequently, we request that you deny tax credits to Cedar Terrace or any other project such as Magnolia Homes here in Galveston

Respectfully  
Gerald and Irma Hite  
1507 Winnie  
Galveston, TX 77550



# THE SEASONS

Galveston Island Resort

RE: TDHCA Tax Credits for Cedar Terrace

I am asking TDHCA to not award tax credits to the development at Cedar Terrace.

We own 556 units on Galveston Island, and there are so many vacancies on this island that building any additional units on the island would devastate our business. We are operating in a fragile environment at this moment and any additional units could put us in a negative cash flow.

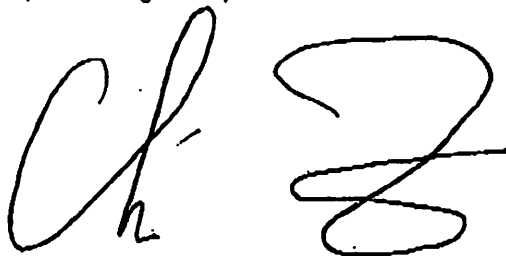
There are so many empty homes and units currently on the island that need to be rehabbed. The reason they have not been remodeled is because there are not enough residents to fill those vacancies. Otherwise, investors would repair and rent the units.

In addition, TDHCA has given out so many tax credits in the last four years on our small island it is already unfair to compete with subsidized rents. Our small island has dwindled from a population of 58,000 to 47,000 residents.

We urge you to please, DO NOT give any tax credits to this development.

Sincerely Yours,

Jon C Teachworth

Handwritten signature of Jon C Teachworth, consisting of a stylized 'J' and 'T' followed by a horizontal line.

**Casa Caribe**  
**515 First Street**  
**Galveston, Texas 77550**  
**(409) 765-9409**

August 14, 2013

RE: TDHCA Tax credits for Cedar Terrace, Galveston, Texas

Dear Sirs:

I am asking TDHCA not award any tax credits to the development at Cedar Terrace in Galveston, Texas.

We own 175 units on Galveston Island. With the existing vacancies here now building additional units would devastate our business. We are operating in a fragile economic environment and new tax credit units would negatively affect us.

Galveston Island has many vacant homes that need to be rehabbed and remodeled. Investors would repair these units if there were residents to fill them. The need is not there.

I also feel that enough tax credits have already been awarded in the past 4 years on the island. We do not need additional competition from these subsidized rental units.

Please DO NOT give any new tax credits for this development. Let them stand on their own and more fairly compete with us.

Sincerely,



D. Arne Henderson  
Vice President  
409-765-9409

August 19, 2013

RE: TDHCA Tax Credits for Cedar Terrace

I am asking TDHCA to not award any tax credits to the development at Cedar Terrace.

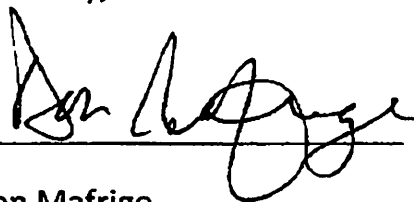
We own many units on Galveston Island, and there are so many vacancies on this island that building any additional units on the island would devastate our business. We are operating in a fragile environment at this moment and any additional units could put us in a negative cash flow.

There are so many empty homes and units currently on the island that need to be rehabbed and the reason they have not been remodeled is because there are not the residents to fill those units. Otherwise, investors would repair and rent those units.

Also, TDHCA has given out so many tax credits in the last four years on our small island it is already unfair to compete with subsidized rents. Our small island has also gone from a population of 58,000 residents to 47,000 residents.

So please DO NOT give any tax credits to this development.

Sincerely,



Don Mafrige  
409-771-7711

**FORT CROCKETT**

A P A R T M E N T S

4800 Seawall Boulevard • Galveston, TX 77551  
Telephone (409) 762-4800

**From:** [Galveston Open Government Project](#)  
**To:** ["Teresa Morales"](#)  
**Subject:** Galveston Initiative II Tax Credits  
**Date:** Tuesday, September 03, 2013 9:59:33 AM  
**Attachments:** [PBV-Waiver.pdf](#)

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Good morning Ms. Morales,

On Friday, we discovered that HUD regulations require that the Project-Based Voucher units for this application must be put out on an RFP for competitive bidding. Apparently, the Galveston Housing Authority just discovered this oversight in July (see attached). Since they did not put the PBV units out for competitive bidding, they have been scrambling to get a waiver from HUD (see attached). Based on the correspondence that we received (see attached), it appears that such a waiver has not been received from HUD as of Friday.

If the GHA cannot submit this waiver to the TDHCA, we believe that the Galveston Initiative II development should be pulled from consideration for tax credits at your September meeting, and not placed on a future agenda until its application is complete.

We have previously requested that this application be pulled, because the applicant has not yet completed and submitted their 8-Step Decision Making Process required under E.O. 11988, AND the applicant has not yet completed and submitted their Affected Property Assessment Report (APAR) and Remedial Action Plan (RAP) to the TCEQ. Therefore, the applicant does not have a "Comfort Letter" from TCEQ accepting their APAR and RAP and authorizing them to proceed, at this time.

No date certain has been given for the completion of the 8-Step Decision Making Process, but it would be nearly impossible for them to complete and submit it in time for your meeting on 12 September. This Process requires the applicant to identify and consider alternate building sites out of the flood plain. Why would the TDHCA consider an application for the present site until the alternatives have been

identified and properly considered?

The APAR and RAP are due to be submitted to the TCEQ on 20 September with a decision forthcoming 30-45 days after that so the Comfort Letter cannot be available in time for consideration at your meeting.

For these three reasons, we request that TDHCA pull the Galveston Initiate II application from consideration at its 12 September meeting.

Thank you for your consideration,

David Stanowski

President



# **Galveston Open Government Project**

**A Government Watchdog Group**

[gogp@att.net](mailto:gogp@att.net)

**Office 409-621-2099**

<http://www.GalvestonOGP.org>

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## Clover Nuetzmann

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**From:** Deyna Sims [dre@ghatx.org]  
**Sent:** Wednesday, August 28, 2013 10:21 AM  
**To:** 'Mona Purgason'; 'Clover Nuetzmann'  
**Subject:** FW: Galveston request for waiver of PBV competition requirements

Responsive document to ORR regarding vouchers in mixed income.

---

**From:** Scott Jepsen [mailto:jepsen@~~scottjepsen.com~~]  
**Sent:** Monday, July 15, 2013 3:30 PM  
**To:** dre@ghatx.org; Toni M. Jackson  
**Subject:** FW: Galveston request for waiver of PBV competition requirements

Got another message from Sue today saying that she and Roma have been trying to chase down the voucher people to get us an answer but with no luck today so they are going to try to have a meeting with them tomorrow.

Scott Jepsen | Partner  
EJP Consulting Group, LLC | 20201 21st Place NW | Shoreline, WA 98177  
206.890-3894 (phone) | (866) 584-1195 (fax) | 206.890-3894 (cell)  
~~scottjepsen.com~~  
[www.ejpconsultinggroup.com](http://www.ejpconsultinggroup.com)

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**From:** Wilson, Susan [mailto:Susan.Wilson@hud.gov]  
**Sent:** Thursday, July 11, 2013 4:04 PM  
**To:** 'Scott Jepsen'  
**Cc:** Campanile, Roma  
**Subject:** Galveston request for waiver of PBV competition requirements


I just listened to your message, but I'm on my way out of the office. You said that given the project schedule for the closing of Cedar Terrace, if GHA needs to show that it has met the competition requirement in the voucher regs, it will have to send out an RFP on Monday.

Roma talked with me about this this afternoon and we tried to call Tony Jackson to discuss, but didn't reach her. Previously, I had asked Roma to talk to Laurie Rawson of the voucher office, but Laurie has been on vacation.

It's my opinion that Galveston needs a waiver of the voucher competition requirement and that there is good cause to grant it; however, I will need to check this out tomorrow with OGC and Milan's office. The main reason for a competition would be to solicit developers to provide project based voucher units. As the PHA has already procured MBS for Magnolia and Cedar, as the whole PBV scattered site part of Galveston's plan is in limbo, as the project couldn't get 9% credits from the state given the state's QAP requirements, as the units have to be built to comply with state/CDBG time constraints, as there is an MOA with the advocates to rebuild the units, I think there is plenty of good cause to grant a waiver.

I'm copying Dominique to get her initial feedback and will follow-up tomorrow. The PHA will have to put a waiver request together and provide the good cause, which I started to outline above.

**Director of Real Estate & Development**  
**Galveston Housing Authority**  
Office 409-765-1980  
Cell 409-771-5733

 Please consider the environment before printing this email.

**From:** Deyna Sims [<mailto:dre@ghatx.org>]  
**Sent:** Friday, July 19, 2013 2:44 PM  
**To:** 'Rodriguez, Dan'  
**Cc:** 'Edward.L.Pringle@hud.gov'; 'Mona Purgason'; 'Walls, Lorraine D'  
**Subject:** GHA - PBV Waiver Request

Mr. Rodriguez,

Attached please find a letter requesting a waiver to the selection procedures for utilizing project-based vouchers ("PBV") as set out in 24 CFR 983.51. Galveston Housing Authority has procured a developer to rebuild its public housing stock and a portion of that plan includes the use of project-based vouchers. Therefore, a statutory waiver is required to proceed without the requirement of preparing a public solicitation for the vouchers. The attached letter outlines the basis for this request. Please contact me if you have any questions or comments.

Thank you,

**Deyna Sims-Hobby**  
**Director of Real Estate & Development**  
**Galveston Housing Authority**  
Office 409-765-1980  
Cell 409-771-5733

 Please consider the environment before printing this email.



# HOUSING AUTHORITY

OF THE CITY OF GALVESTON, TEXAS

409 / 765-1900

77551



*Central Office 4700 Broadway*

**Mr. Dan Rodriguez**

US Department of Housing and Urban Development

1301 Fannin, Suite 2200

Houston, Texas 77002

Re: Galveston Housing Authority

**Waiver Request for Project Based Vouchers in Mixed Income  
Developments – Cedar Terrace and Magnolia Homes**

Mr. Rodriguez:

I am writing to request a waiver to the selection procedures for utilizing project-based vouchers ("PBV") as set out in 24 CFR 983.51. The Housing Authority of the City of Galveston, Texas d/b/a Galveston Housing Authority ("GHA") has procured a developer to rebuild its public housing stock and a portion of that plan includes the use of project-based vouchers. Therefore, a statutory waiver is required to proceed without the requirement of preparing a public solicitation for the vouchers.

On September 13, 2008, Hurricane Ike made landfall on the island of Galveston, Texas and caused damage to four public housing properties owned by GHA. The developments known as Cedar Terrace, Magnolia Homes, Palm Terrace and Oleander Homes were deemed uninhabitable and approved for demolition in 2009. The tenants in each of these properties were moved in preparation of the storm and ultimately relocated to temporary housing through the DHAP program. Since the demolition, forty (40) units have been rebuilt on the site formerly known as Palm Terrace but the other sites have remained vacant.

In 2011, GHA procured McCormack, Baron, Salazar ("MBS") to serve as its master developer for its rebuilding efforts. A part of the job of MBS was to develop a rebuilding plan that included mixed-income housing while responding to the needs of the island. GHA was also allocated funding for replacing and rebuilding the public housing units with CDBG-Disaster Recovery ("CDBG-DR") funding from HUD. However, due to the controversy of rebuilding traditional barrack style public housing along with the high costs of rebuilding, GHA has had to work over the last few years with former tenants, community stakeholders, the city and the General Land Office, to build a consensus for its rebuilding efforts. As a result, GHA entered into an agreement with local advocates to rebuild the public housing ("Lone Star Agreement") and the funds are subject to an agreement which also set out certain constraints on the rebuilding of the public housing ("Conciliation Agreement"). On September 28, 2012, GHA and the City of Galveston approved a plan for the rebuilding of GHA's public housing on two of its sites,

Cedar Terrace and Magnolia Homes (“Redevelopment Plan”) which incorporated some of the requirements set out in the Lone Star Agreement and Conciliation Agreement.

The Redevelopment Plan as adopted includes the development of mixed-finance, mixed income development on each of these sites. The sites propose a combination of market rate units, public housing units and project-based vouchers (“PBV”) units. Forty-nine percent (49%) of the units on each site will be market rate units with the remaining fifty-one percent (51%) of the units subsidized. The public housing/PBV units will be interspersed with the market rate units and will be rented to tenants with family incomes of no more than 60% of Area Median Income. Each site will be financed with the CDBG-DR funds, 4% tax credits, bonds and insurance proceeds and a long term ground lease from GHA. There will be a single asset partnership owner for each property as required by the proposed financing. The co-general partner of each owner will be the Galveston Public Facility Corporation (“General Partner”), an instrumentality of GHA.

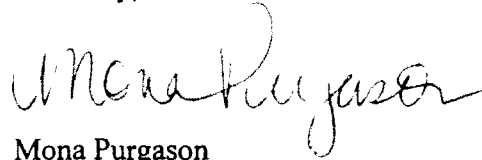
The project-based vouchers are imperative to the success of the proposed finance structure. Therefore, it is our assertion that the requested waiver should be granted for the following reasons:

- (i) The procedures set out in the statute require a public, competitive solicitation process to assure that there is public notice for the opportunity to utilize the project-based vouchers. GHA has met this requirement by procuring a developer through a public solicitation. Additionally, GHA has held numerous public meetings that allowed community input in its use of its available funds and finalizing the Redevelopment Plan;
- (ii) The Lone Star Agreement and Conciliation Agreement both set out certain constraints for the rebuilding of the public housing and those units that will count towards the replacement public housing units. As the Redevelopment Plan was prepared, the parties to those agreements agreed that project-based voucher units could count towards the public housing replacement units. HUD has reviewed each of these agreements and GHA has not been made aware of any objections to the terms of these agreements;
- (iii) After months of negotiation with advocates and the General Land Office (GLO), GHA and the General Land Office entered into an Subrecipient Agreement for CDBG-DR funds. This agreement specifically sets out project based voucher units will be part of the Cedar Terrace and Magnolia Homes developments. Moreover, this agreement was provided to HUD and GHA has not been made aware of any objections to the terms of the Subrecipient Agreement;
- (iv) HUD staff and LSLA negotiated a Memorandum of Agreement to be signed by GHA, the City of Galveston, and Lone Star Legal Aid (with acceptance formalized through HUD sign off) that included project based voucher units in the mixed income developments at Cedar Terrace and Magnolia Homes;

- (v) GHA was unable to utilize the competitive 9% tax credit because of the public support necessary for a viable application. Although this is not a scored application, the process still requires public notice and the approval of the award by the Texas Department of Housing and Community Affairs (“TDHCA”);
- (vi) Due to the time constraints necessary to obligate and expend the CDBG-DR funds by 2015, a structure using the 4% tax credits and bonds allow GHA the greatest scheduling flexibility without having to wait for the next 9% tax credit round which would be July 2014. The PBV units are necessary to assist with closing the financing gap created by the 4% tax credits; and
- (vii) Ultimately, the use of the project-based vouchers in the rebuilding plan will further the HUD mission and advance HUD program goals to develop viable, quality communities and affordable housing.

Should you have any questions or require additional information, I can be reached via telephone at (409) 765-1904 or via email at [ded@ghatx.org](mailto:ded@ghatx.org). Thank you in advance for your favorable consideration of this request.

Sincerely,



Mona Purgason  
Interim Executive Director

## Deyna Sims

---

**From:** Campanile, Roma [Roma.Campanile@hud.gov]  
**Sent:** Thursday, August 08, 2013 12:08 PM  
**To:** 'Deyna Sims'  
**Cc:** Wilson, Susan  
**Subject:** RE: GHA - PBV Waiver Request

Deyna,

I think the information you provided to the FO below sums up the obstacles, deadlines and time delays involved in starting a procurement process now and strengthens the justification for the waiver.

Roma

**From:** Deyna Sims [mailto:dre@ghatx.org]  
**Sent:** Thursday, August 08, 2013 12:26 PM  
**To:** Campanile, Roma; 'Scott Jepsen'; 'Samson Babalola'; Toni M. Jackson  
**Subject:** FW: GHA - PBV Waiver Request

FYI

**From:** Deyna Sims [mailto:dre@ghatx.org]  
**Sent:** Thursday, August 08, 2013 11:00 AM  
**To:** larry.w.freeman@hud.gov  
**Cc:** 'Mona Purgason'; 'Rodriguez, Dan'  
**Subject:** FW: GHA - PBV Waiver Request

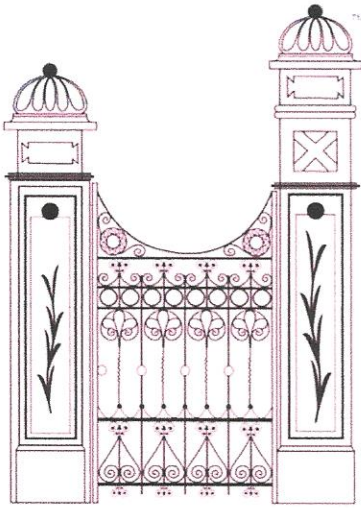
Mr. Freeman,

I have attached documentation to evidence the mutual understanding and knowledge of HUD, GLO, GHA, Lone Star Legal Aid, and advocates that **the redevelopment plan included the use of PBV within the mixed income developments:**

- a) The Subrecipient Agreement between GHA and GLO - Attachment A of this agreement clearly defines the mixed income initiative as two developments that include the use of project based vouchers. Our mixed income communities are being developed by MBS.
- b) Resolution and Redevelopment Plan - this plan was developed in conjunction with the advocates that signed the Conciliation Agreement, local advocates of Galveston, HUD, and the GLO and shows the use of project based vouchers.
- c) **Memorandum of Agreement** – this agreement, drafted by HUD and Lone Star Legal Aid, also outlines the development plan and the use of project based vouchers. **It was contemplated that HUD would present this agreement to the City for approval. To date, this has not occurred and I am unsure whether HUD is still pursuing this agreement with the City.**

In my opinion, based on the circumstances outlined in the waiver, as well as the supplemental information contained herein, **there is good cause to waive the requirement for competition of project based vouchers.** Further, **it is impractical at this time to select a different developer for this project given HUD and GLO imposed deadlines for replacement of affordable housing in Galveston.** Moreover, the use of the project based vouchers enable GHA to replace a greater number of affordable units in order to meet the mandates of the Conciliation Agreement. Lastly, GHA worked with HUD Headquarters (Diane Thompson, Roma Camponile and Susan Wilson) to determine the number of vouchers GHA is entitled to receive.

Please contact me with any questions.



*Galveston*  
East End Historical District Association

August 31, 2013

TDHCA

Attention: Teresa Morales

To Whom It May Concern:

The East End Historic District in Galveston TX is known for its many historical homes and is recognized as one of the best destinations for tourist visiting Galveston. This new development, Cedar Terrace, which is a short distance from our community will concentrate poverty in an area with abandoned homes, lack of services, and few jobs. The East End Historical District Association (EEHDA) feels this development would effect in a negative way the quality of life of its residents.

The TDHCA has awarded over the last 5 years many tax credit units on Galveston Island. We question the value of adding additional units. EEHDA urges you, DO NOT give any tax credits to this development.

Regards:

David Fortenberry

President EEHDA

**From:** [Galvestonbeach](#)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Subject:** TDHCA Tax Credits Galveston PEASE DENY  
**Date:** Friday, August 30, 2013 8:29:37 AM

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Our names are Richard and Linda Denson and we own Galveston Bay Properties, and we ask that you **DENY** any and all tax credits to the Cedar Terrace project for the following reasons:

It is located in the poorest census track in the county

It is an area of abandoned buildings and blight everywhere around the proposed site. (have you seen the sight, its only a 3 hour drive)

It's northern border is directly beside a 5 lane major highway (Harborside Drive).

The northern border is also directly across the street from a major container port that is loud and operates 24/7.

The financial feasibility is in question because there are no cost estimates to properly remediate the soil and remove heavy metals from the soil so it can be safe for children in the immediate area.

The federal flood study that is required by law has not been presented and all the facts are not known about the method of site selection and the flood study. So it is premature to make any type of tax credit decision until these studies are completed.

A well known national urban studies expert named Dr. Kirk McClure was hired by the Galveston Housing Authority and completed a study of the areas that would obey the fair housing laws and not rationally and economically segregate the poor. The conclusion he delivered in the fall of 2012 was that the Cedar Terrace and Magnolia sites both violated the Fair Housing Act. He named three census traces that were appropriate to build and these sites are not in those tracks.

Thank you for your time in this matter and if you have any questions, please write back and I will do my best to answer the questions.

**From:** [Galvestonbeach@aol.com](mailto:Galvestonbeach@aol.com)  
**To:** [Teresa.Morales@tdhca.state.tx.us](mailto:Teresa.Morales@tdhca.state.tx.us)  
**Cc:** [galvestonbeach@aol.com](mailto:galvestonbeach@aol.com)  
**Subject:** Cedar Terrace Tax Credits  
**Date:** Friday, September 06, 2013 11:45:10 AM

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Ms. Morales,

In looking over the proposal for the 4% tax credits in Galveston, I noticed the proposal started with the Conciliation Agreement. I would like to point out a few things about this agreement:

1. This agreement never states the development of public housing has to include mixed income units
2. This agreement never says anything about tax credit or market rate units.
3. The agreement says public housing must be replaced one for one, it does not state anywhere in the agreement it has to be on Galveston Island. (read to verify if you wish)
4. The agreement does say it must "affirmatively further fair housing" meaning it must obey the Fair Housing Act and not segregate by race or economics. (this development does both)
5. Has the GLO written a letter saying that this development does obey the Fair Housing Act, and if not, why?

It is important to understand that the CA **does not in any way** endorse, mandate, or demand you provide tax credits to this development.

There are three reasons mentioned on your web site to deny 4% tax credits:

1. Financial Feasibility. How can you judge the financial's on this proposal when you do not have the facts as to the remediation of the soil on the site. The cost could be between \$300,000.00 and \$5,000,000.00. Would a bank just give money to a project with unknown cost? No, they need to know everything about the potential cost. It would benefit the TDHCA to wait until those solid cost are projected to have a clear picture of the financing of this project.
2. The demographics of the area. Speaks for itself, fails miserably.

3. The census track of the proposed development. Again, fails miserably.

Thank you for your time in this matter.

Richard Denson



Goldsberry & Associates, PLLC  
3027 Marina Bay Dr., #108  
League City, TX 77573

August 20, 2013

Barbara Deane  
General Counsel  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
[barbara.deane@tdhca.state.tx.us](mailto:barbara.deane@tdhca.state.tx.us)

Ms. Deane:

My law firm represents a group of minority public housing residents and potential public housing residents in an impending lawsuit against the United States Department of Housing and Urban Development (HUD) as well as state and local government entities. Our case concerns public housing discrimination in the City of Galveston.

The Galveston Housing Authority seeks to rebuild public housing in mixed-income developments by using tax credits issued by the Texas Department of Housing and Community Affairs (TDHCA). As you know, both public housing and housing using tax-credit financing must conform to the requirements of the Fair Housing Act (FHA).

Galveston Initiative II, LP (aka Cedar Terrace) has applied for tax credits to help finance this development. Unfortunately, this site is located in a racially segregated and impoverished area of the City of Galveston which makes it an unacceptable and inappropriate location for public housing and housing financed by tax credits.

61% of the people who reside in this neighborhood live below the poverty level. 60% are Black and 34% are Hispanic. Building in this kind of "impacted census tract" will reestablish and perpetuate segregation, so approving these plans would be to disregard the government's duty to affirmatively further fair housing (AFFH).

We have reviewed the recent decision in *ICP v. TDHCA* (civil action 3:08-CV-0546-D) in the United States District Court for the Northern District of Texas. In that case, the court determined that the way in which this department allocated tax credits is discriminatory and in violation of the Fair Housing Act ("FHA") and ordered the TDHCA to "submit a remedial plan that sets out how it will bring its allocation decisions into compliance with the FHA." *ICP, Inc. v. Tex. Dep't of Housing and Community Affairs*, No. 3:08-CV-0546-D (N.D. Tex. March 20, 2012).

It is our opinion that approval of the tax credit application for Galveston Initiative II, LP would also be in violation of the FHA, as it would be a continuation of the same discriminatory practices by the TDHCA cited in the ICP case. The original strategy of our lawsuit did NOT include the TDHCA, however, should this department move forward and approve this tax credit application, we would have no choice but to add the TDHCA as a defendant.

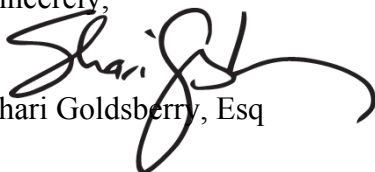
The actual scoring system used in the remedy is looking to ideally award tax credits in census tracts where the poverty rate is less than 15%, AND household income is in the top quartile for the county, and the schools are rated exemplary or recognized by the TEA. May 18, 2012 Remedial Plan, Page 6  
<http://www.danielbesharalawfirm.com/Documents/TDHCA%20notice%20of%20proposed%20remedial%20plan.pdf>

As mentioned above, the poverty rate in the Galveston Initiative II, LP census tract is 61% or FOUR TIMES HIGHER than the TDHCA guidelines in the ICP remedy.

Therefore, it is our hope that the TDHCA will refrain from issuing any tax credits for Galveston Initiative II, LP simply because of the extreme poverty rate in this census tract which should make it completely unacceptable for tax credits. There are many other reasons why this location should fail TDHCA scrutiny if you would like us to send additional data.

Once my clients are assured that this department's actions will not violate the FHA, there should be no need to add the TDHCA as a defendant in their suit.

Sincerely,

  
Shari Goldsberry, Esq

cc:  
Tim Irvine  
Executive Director  
Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711  
(512) 469-9606 fax  
[tim.irvine@tdhca.state.tx.us](mailto:tim.irvine@tdhca.state.tx.us)

cc:  
Cameron Dorsey  
Director, Multi-Family Finance Division  
Texas Department of Housing and Community Affairs

P.O. Box 13941  
Austin, Texas 78711  
[Cameron.dorsey@tdhca.state.tx.us](mailto:Cameron.dorsey@tdhca.state.tx.us)

Cc:  
Teresa Morales  
Texas Department of Housing and Community Affairs  
[Teresa.Morales@TDHCA.State.TX.US](mailto:Teresa.Morales@TDHCA.State.TX.US)

August 28, 2013

Texas Department of Housing and Community Affairs  
Waller Creek Office Building  
Teresa Morales  
507 Sabine Street  
Austin, Texas 78701

teresa.morales@tdhca.state.tx.us

Re: TDHCA Tax Credits for Cedar Terrace (Galveston initiative II) in Galveston

Dear Ms. Morales;

I am requesting TDHCA to deny tax credits to the 122 unit development at Cedar Terrace.

We own & operate 240 rental units on Galveston Island or in nearby cities in Galveston County, known as **Heritage at 9<sup>th</sup> Avenue** Apartments at 3404 9<sup>th</sup> Avenue North, Texas City, Tx. At the present time there are so many vacancies on this island and in the County that building additional subsidized units, in addition to those already planned, will devastate our business. We are operating in a fragile rental environment at this time, and any additional units could easily put us into a negative cash flow.

There are many vacant homes and apartment units currently on the island. Some 4,500 single family homes still need to be rehabbed due to damages from Hurricane Ike. These homes have not been remodeled because there is a diminished demand for all rentals due to the verifiable population loss post Ike. If there was a demand, investors would repair and rent these homes. The numerous vacant apartments (current island occupancy is at an average of 80%) would also be seriously impacted due to remodeled and refurbished apartment units still being vacant.

TDHCA has given out so many credits in the last four years that the marketplace is now unable to fairly compete with subsidized units that have lower operating costs due to various federal and state tax credits, property tax exemptions or caps. Our pre-Ike population of 58,000 residents is now down to 47,000.

Please do not give any tax credits to this development. Your doing so will only make matters worse and will most likely cause existing housing to go to waste and eventually be removed from the tax rolls. All of the land for all proposed units will not be on the tax rolls and 59 of these 122 proposed units will NOT be on the property tax rolls. This, coupled with the recent unprecedented increases in flood insurance taking place in October, will most likely be the beginning of the end for Galveston County private sector housing. Competing with units not paying comparable property taxes constitutes unfair competition.

Respectfully;

  
Liz Martinez-Dvorak

01-05-13 A 11:59 001

TDHCA  
Attention Teresa Morales

Richard Denson  
1019 16<sup>th</sup>  
Galveston, TX 77550

RE: Galveston Houston Authority Study

The appointed members of the Galveston Housing Authority (GHA) come from a diverse background. Not one of the members is an expert in Urban Planning and not one understands the numerous legal requirements as directed by HUD. In order to properly comply with Federal law and HUD rules and regulations, the GHA hired an expert in this field named Dr. Kirk McClure. Dr. Kirk McClure is an expert witness who is often called by Federal Courts to testify in Fair Housing Cases all over the United States. I have enclosed Dr. Kirk McClure's analysis for your review that was given to the GHA. The study concludes that Cedar Terrace is a poor site and an unacceptable census track for the placement of any public housing units.

Richard Denson

**From:** [Teresa Morales](#)  
**To:** [Shannon Roth](#)  
**Subject:** FW: Galveston Initiative II aka Cedar Terrace  
**Date:** Monday, September 30, 2013 1:45:09 PM  
**Importance:** High

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[More public comment.](#)

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**From:** Galveston Open Government Project [mailto:gogp@att.net]  
**Sent:** Monday, September 30, 2013 1:15 PM  
**To:** 'Teresa Morales'  
**Subject:** Galveston Initiative II aka Cedar Terrace  
**Importance:** High

Ms. Morales,

We still have not seen the results of the 8-Step Decision Making Process required by E.O. 11988 (see below)

How can the TDHCA Board make a decision on the housing tax credits for the Galveston Initiative II project before the 8-Step Decision Making Process is complete and part of the application for the Board to review?

The very fact the GLO is allowing the applicant to submit their application before this Process is complete makes it clear that it has no intention of following the dictates of E.O. 11988 which directs the GLO to make every effort to find alternative sites outside of the floodplain which will lower the amount of taxpayer funds that it will take to construct the project AND reduce the amount of risk that this project is subjected to after construction.

Following the dictates of E.O. 11988 lowers the cost and risk to the taxpayers and the residents of the project. There are dozens of alternative sites available to the applicant that will provide the reduction of costs and risks demanded by this Order, but the fact that they are moving full speed ahead with the Cedar Terrace site makes it clear that they have no intention of identifying and utilizing alternative sites as required.

For this reason, the GOGP asks the Board to suspend this application until the GLO presents its list of alternative sites as required by E.O. 11988.

***“Executive Order 11988 requires federal agencies to avoid to the extent possible the long and short-term adverse impacts associated with the **occupancy** and modification of flood plains and to avoid***

*direct and indirect support of floodplain development wherever there is a practicable alternative."*

*"3. Identify and evaluate practicable alternatives to locating in the base floodplain, including **alterative sites outside of the floodplain...**"*

*"Among a number of things, the Interagency Task Force on Floodplain Management clarified the EO with respect to development in flood plains, emphasizing **the requirement for agencies to select alternative sites for projects outside the flood plains, if practicable,...**"*

<http://www.fema.gov/plan/ehp/ehplaws/eo11988.shtm>

Best regards,

David Stanowski  
President



**Galveston Open Government Project**

**A Government Watchdog Group**

[gogp@att.net](mailto:gogp@att.net)

Office 409-621-2099

<http://www.GalvestonOGP.org>

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**Thank you.**



**From:** [Galveston Open Government Project](#)  
**To:** "Teresa Morales"  
**Subject:** Galveston Initiative II aka Cedar Terrace  
**Date:** Tuesday, September 24, 2013 9:19:59 AM  
**Attachments:** [Analysis of Housing Opportunities Galveston-Marked.pdf](#)  
**Importance:** High

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Ms. Morales,

Please include Dr. McClure's full report that clearly states that the Cedar Terrace rebuild does NOT AFFH, and that its mixed-income scheme will most likely fail.

See pages 49 and 63.

Thank you,

David



**Galveston Open Government Project**

**A Government Watchdog Group**

[gogp@att.net](mailto:gogp@att.net)

Office 409-621-2099

<http://www.GalvestonOGP.org>

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**Analysis of Census Tracts of Galveston County, Texas**

**Identification of High-Opportunity Neighborhoods  
for Locating Scattered Site Public Housing Units**

**Kirk McClure, Ph.D.**

Professor

Department of Urban Planning

University of Kansas

1465 Jayhawk Boulevard, 317 Marvin Hall

Lawrence, Kansas 66045-7626

785.864.3888

[mcclure@ku.edu](mailto:mcclure@ku.edu)

**September, 2013**

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## Analysis of Census Tracts of Galveston County, Texas

### Identification of High-Opportunity Neighborhoods for Locating Scattered Site Public Housing Units

#### *Abstract and conclusions*

*This report examines the demographic characteristics of the 61 census tracts of Galveston County, Texas, for the purpose of identifying locations for scattered site public housing that will affirmatively further fair housing. Census tracts are identified that offer high-opportunity locations. These locations are defined, for purposes of this study, as census tracts where:*

- *Less than 10 percent of the population lives below poverty,*
- *The incidence of poverty was stable or declining from 2000 to 2010,*
- *The concentration of minorities is not more than 45 percent of the population,*
- *Less than 14 percent of the adult population does not have a complete high school education,*
- *Less than 8 percent of the workforce is unemployed,*
- *More than 70 percent of the workforce is able to reach their jobs in less than 30 minutes,*
- *The combined violent and property crime rate for the community is less than 700 incidents per 100,000 persons, and*
- *Less than 4 percent of the housing stock is assisted.*

*Based upon data from the 2010 Census, the 2000 Census, as well as data from the U.S. Department of Housing and Urban Development (HUD) and the Federal Bureau of Investigation (FBI), many census tracts in Galveston County meet most of these criteria. In Galveston County, 15 tracts meet at least 6 of these 8 criteria making them sufficiently high-opportunity tracts to be suitable for scattered site public housing. Of these 15 tracts, 12 are on the mainland and only 3 are on the island.*

*At the other extreme, it is generally agreed that neighborhoods with poverty above 25 percent are prohibitively poor neighborhoods for the location of assisted households. There are 14 tracts in Galveston County with poverty above 25 percent, 6 on the mainland and 8 on the island.*

*Given the availability of high-opportunity neighborhoods in Galveston County, many locations for scattered site housing are found on the mainland and few are on the island.*

#### **Background**

The City of Galveston is confronting the problems associated with locating assisted housing units and households. The problem arises from the loss of 569 units of public housing lost due to

Hurricane Ike. The City, operating through the Galveston Housing Authority, seeks to provide this housing consistent with its obligation to affirmatively further fair housing.

In agreement with HUD and the Texas General Land Office along with the Texas Low Income Housing Information Service and Texas Appleseed, the City of Galveston is to develop, among other units, a number of scattered site developments. This report examines the recently released 2010 Census data as well as data from HUD and the FBI for purposes of determining which census tracts, within the City of Galveston and Galveston County, would be good candidates for the location of this newly-developed scattered-site public housing.

**The Research Question: Where should the scattered site units be located in order to affirmatively further fair housing?**

HUD provides guidance on the meaning of the term to affirmatively further fair housing. HUD states the goals of its proposed rule on the Assessment of Fair Housing (AFH) as:

The AFH focuses program participants' analysis on four primary goals: improving integrated living patterns and overcoming historic patterns of segregation; reducing racial and ethnic concentrations of poverty; reducing disparities by race, color, religion, sex, familial status, national origin, or disability in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and responding to disproportionate housing needs by protected class.<sup>1</sup>

The body of published research on assisted housing supports this approach finding that assisted renter households are best served if they are able to locate in high-opportunity neighborhoods and are ill-served if they are located in low-opportunity neighborhoods.

HUD does not have an operational definition of the term high-opportunity. At the minimum, a high-opportunity neighborhood is deemed to be low-poverty.

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<sup>1</sup> U.S. Department of Housing and Urban Development. 2013. HUD's Notice of Proposed Rulemaking on Affirmatively Furthering Fair Housing. [http://www.huduser.org/portal/publications/pdf/affht\\_summary.pdf](http://www.huduser.org/portal/publications/pdf/affht_summary.pdf)

The average level of poverty in census tracts across the nation is about 13 percent. Most tracts have low levels of poverty, but a few have very high concentrations of poverty. The median level of tract poverty in the nation is about 10 percent. Thus, about one-half of all census tracts have populations with less than 10 percent living below poverty. As a result, the threshold of 10 percent poverty is an often used maximum level of poverty for selection of census tracts for assisted housing. This threshold was used by HUD in its Gautreaux initiative in the Chicago area and in its Moving to Opportunity (MTO) experiment conducted in five large metropolitan areas. Both the Gautreaux initiative and the MTO experiment were programs administered by HUD. These programs used affordable housing assistance as a mechanism to deconcentrate poverty. The programs facilitated the movement of poor households out of public housing and into low-poverty neighborhoods offering access to good schools, gainful employment and neighborhoods free from the fear of crime.

Both the Gautreaux initiative and the MTO experiment relied heavily upon the criterion that any neighborhood receiving the assisted households would have poverty no higher than 10 percent. HUD is exploring the use of additional criteria in order to identify high-opportunity neighborhoods. These criteria include:

*Change in the incidence of poverty over time.* The percentage of a tract's population that lives below poverty changes with time. It is not only desirable that the tracts where assisted housing or households are located have low levels of poverty, but it is desirable that the incidence of poverty in the tract is either stable or falling.

*Low concentrations of racial and ethnic minorities.* The Gautreaux initiative specifically tackled the issue of racial integration, although the MTO experiment did not. In the Gautreaux initiative, HUD specifically sought to move poor public housing households into neighborhoods that would not only provide for economic integration through low poverty rates but provide for racial and ethnic integration through low concentrations of racial and ethnic populations. It is desirable that neighborhoods where scattered site public housing is located be among populations that are racially and ethnically integrated.

*The presence of high quality schools.* Census data do not tabulate measures of school quality. Census data do tabulate the level of educational attainment of adults. These tables are used to determine the incidence of adults without a complete high-school education. **A census tract is assumed to offer higher educational opportunities if the workforce has a higher level of workers who have completed a high school education.**

*The presence of employment opportunities.* **The Census data do not count the locations of jobs,** but the data do count the locations of workers by employment status. The presence of employment opportunities in a neighborhood is indicated by a low level of unemployment among adults in the workforce. Where the level of unemployment is low, a tract is assumed to offer higher opportunities to the households residing within it.

*Access to employment opportunities.* A second measure of employment opportunity is found in the access to jobs offered close to or within a tract. Census tables enumerate the number of workers who commute to work by the amount of time in the commute. **Where a high percentage of commuters are able to get to their jobs in a short amount of time, the tract is assumed to offer higher opportunities.**

*Freedom from crime.* Perhaps the greatest benefit realized by Moving to Opportunity households was found with relocation from high crime areas to low crime tracts. Removal of the stress from proximity to crime resulted in significant mental and physical health improvements. **Where the crime rate is low, the tract is assumed to offer higher opportunities.**

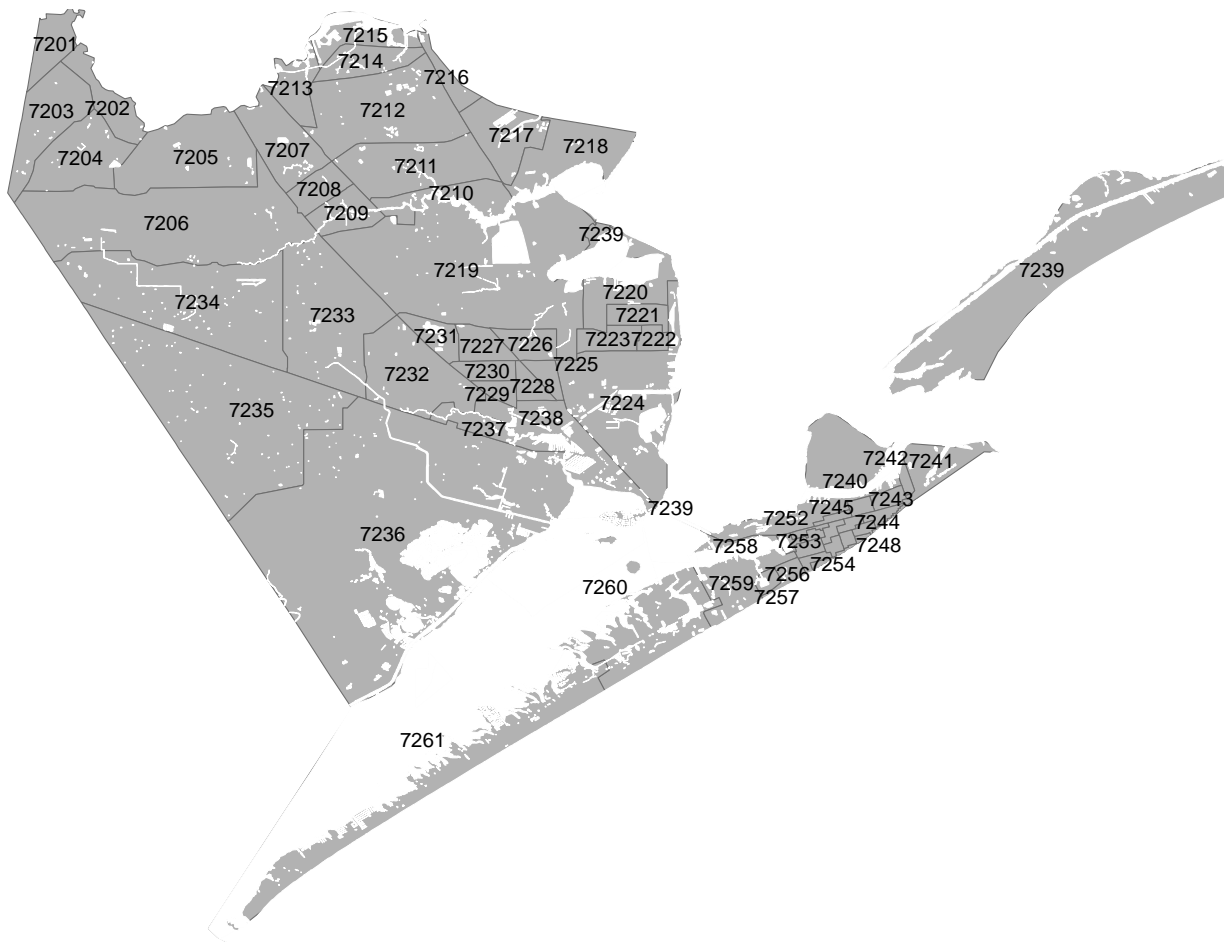
*Low concentrations of other assisted housing.* Assisted housing includes project-based housing with the housing units subsidized under the Public Housing, Section 8 New Construction/Substantial Rehabilitation, Section 236, Low-Income Housing Tax Credit, and various other smaller HUD multi-family programs. Assisted housing also includes households assisted under the tenant-based Housing Choice Voucher program. Where the housing stock within a tract has a large concentration of assisted housing units or assisted households, the neighborhood can suffer. **It is assumed that a tract with a low level of assisted housing offers higher opportunities.**

This study examines the census tracts of Galveston County in order to identify which tracts offer high levels of opportunities for the location of scattered site public housing. All of these criteria are integrated into the selection process.

### The Census Tracts of Galveston County, Texas

Map 1 identifies the Census tracts of Galveston County, Texas as defined for the 2000 Census. The county was divided into 39 tracts on the mainland (including the Bolivar Peninsula) and 22

Map 1 **Census Tracts in Galveston County, Texas  
Defined for Census 2000**





tracts on the island that is the City of Galveston. For the 2010 census, the Bureau of the Census divided a few rapidly growing tracts and merged two contracting tracts together. However, HUD data are coded to the tracts as delineated for the 2000 Census. For this reason, this report uses the tracts as defined for the 2000 census. Tracts 7201 through 7238 are on the mainland of Galveston County and tract 7239 covers the Bolivar Peninsula. Tracts 7240 through 7261 are on the island.

### *Population, Poverty and the Distribution of Racial and Ethnic Minorities*

The typical tract contains about 4,700 people who live in about 2,500 housing units. (See Table 1.) The total population of Galveston County was about 286,000 people in 2010, up 14 percent from 2000. It is important to note that the county's growth is a combination of 23 percent population growth on the mainland and 14 percent population decline on the island.

The incidence of poverty is higher on the island than on the mainland. On the island, the average tract poverty is relatively stable at about 22.7 percent. On the mainland, poverty grew over the decade from 2000 to 2010 but only to a level of 13.9 percent, which compares favorably with the rest of the United States.

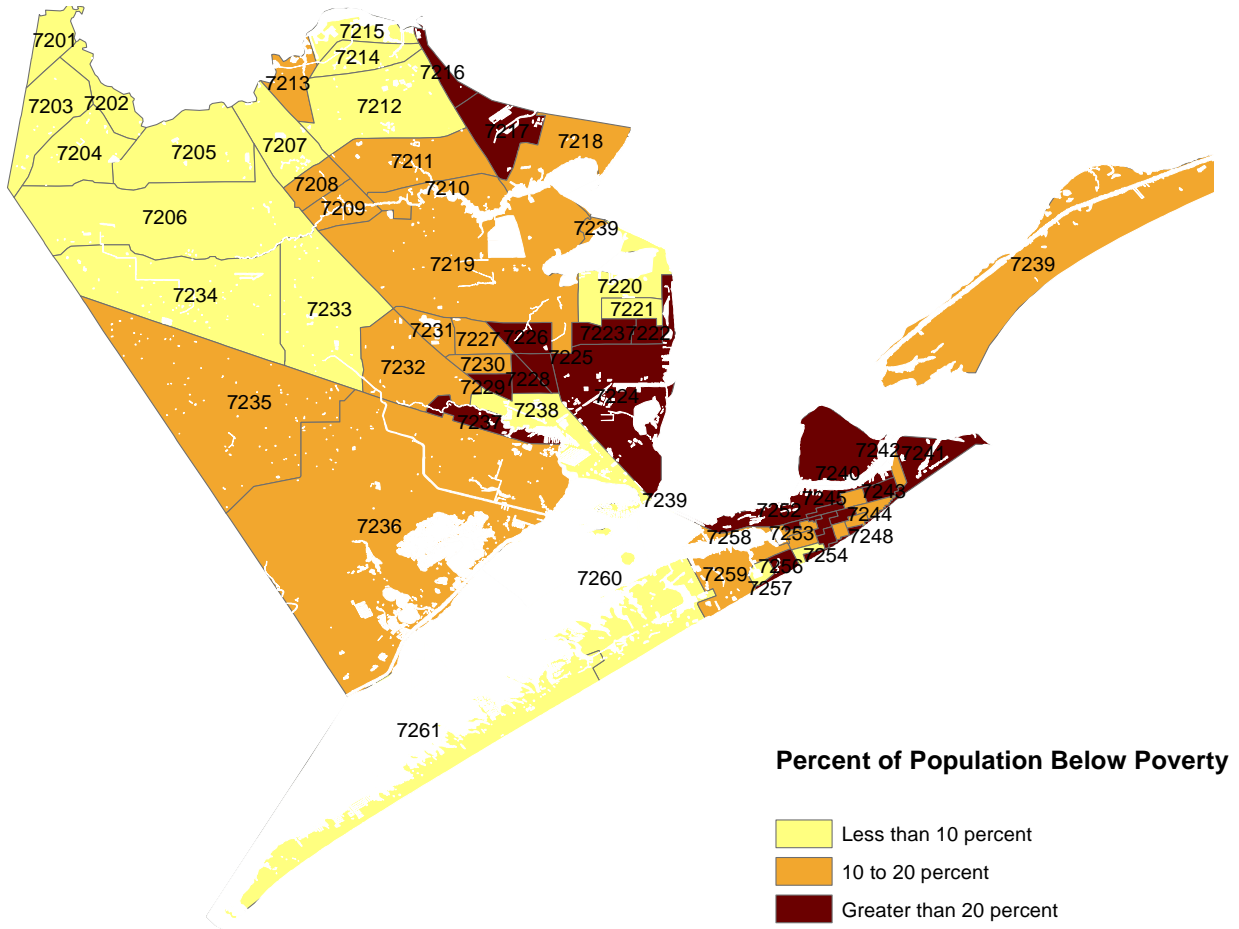
The high poverty tracts of Galveston are not distributed randomly. On the island, they are concentrated on the eastern end of the City of Galveston. On the mainland, they are concentrated in the eastern section of the county, in and around Texas City. (See Map 2.)

# Identification of High-Opportunity Tracts as Locations for Scattered-Site Public Housing

**Table 1 Census Tracts in Galveston County, Texas  
Population by Poverty Status and Race**

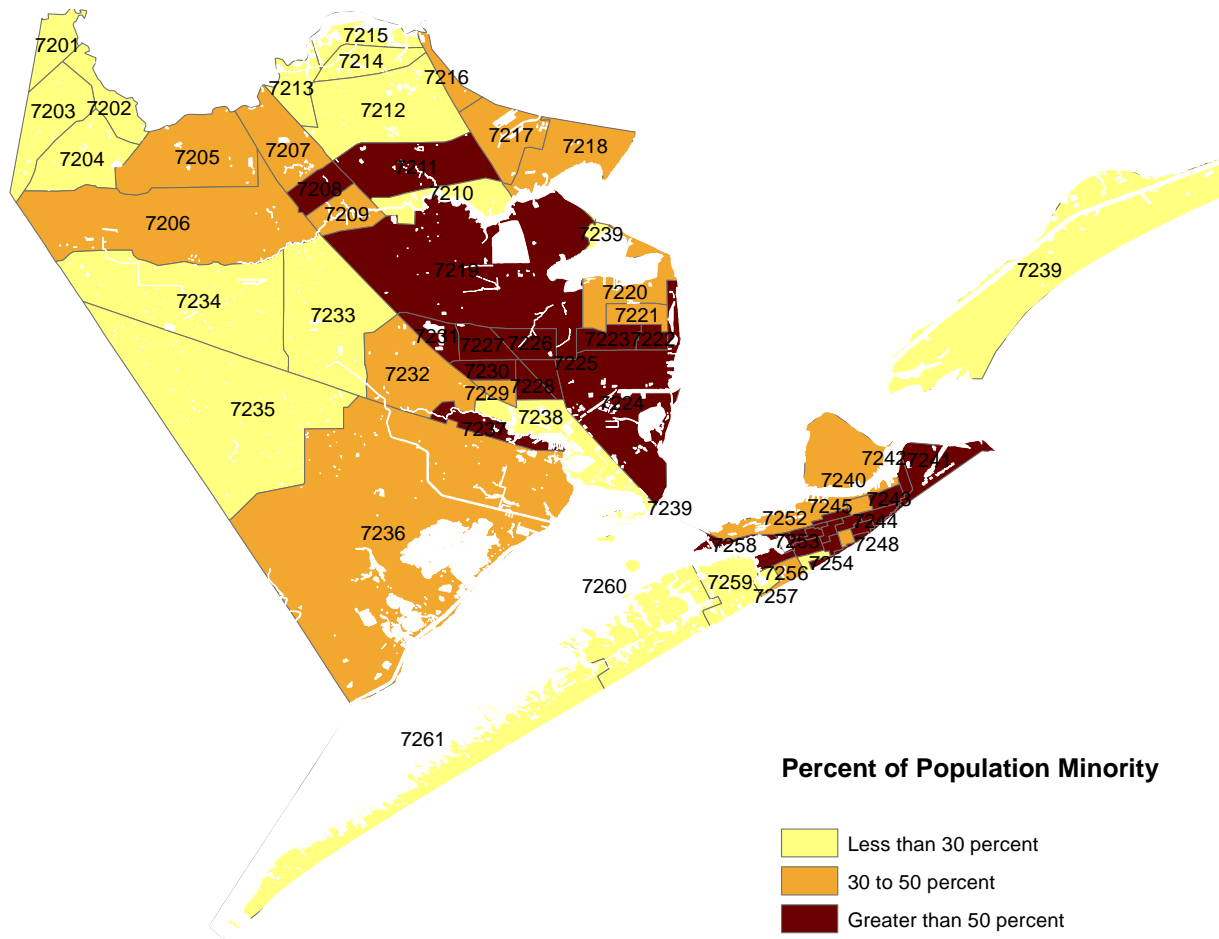
Tract Number	Population 2000	Population 2010	Percent Change	Percent Below Poverty 2000	Percent Below Poverty 2010	Percent Minority 2000	Percent Minority 2010	Tract Number	Population 2000	Population 2010	Percent Change	Percent Below Poverty 2000	Percent Below Poverty 2010	Percent Minority 2000	Percent Minority 2010
<i>Galveston County Mainland</i>								<i>City of Galveston</i>							
7201	4,095	5,763	40.7	3.1	2.4	14.1	22.1	7240	1,959	2,856	45.8	55.1	56.1	56.9	45.6
7202	3,965	4,189	5.6	3.2	3.1	10.6	19.2	7241	1,466	1,788	22.0	18.9	25.6	45.8	51.8
7203	8,842	9,550	8.0	3.0	4.2	11.9	19.8	7242	3,199	2,538	-20.7	18.1	19.0	52.3	51.6
7204	4,336	5,460	25.9	0.6	0.1	13.8	17.9	7243	4,530	3,239	-28.5	31.5	25.7	56.0	54.2
7205	14,392	26,323	82.9	4.1	5.5	25.6	32.3	7244	4,320	2,469	-42.8	24.9	19.7	65.5	51.5
7206	3,406	10,157	198.2	5.2	4.7	31.0	45.8	7245	1,858	676	-63.6	39.4	11.4	49.7	37.0
7207	5,121	8,422	64.5	6.4	9.3	29.9	41.3	7246	2,507	1,852	-26.1	63.9	61.0	97.7	97.6
7208	3,275	3,707	13.2	15.7	14.4	52.9	56.4	7247	2,622	2,242	-14.5	30.6	35.2	88.4	88.7
7209	5,398	5,692	5.4	19.1	19.8	40.2	41.1	7248	2,014	2,016	0.1	22.4	19.9	64.6	57.2
7210	1,946	1,928	-0.9	5.5	17.2	20.7	22.1	7249	2,092	1,817	-13.1	20.9	11.9	63.2	49.8
7211	7,817	10,926	39.8	14.5	14.4	43.6	53.2	7250	2,358	2,782	18.0	17.0	23.6	61.3	63.5
7212	10,280	17,413	69.4	5.0	6.2	24.8	29.7	7251	2,229	1,699	-23.8	18.9	37.6	84.3	73.5
7213	4,607	4,679	1.6	6.6	10.3	25.1	26.2	7252	2,158	1,727	-20.0	30.8	36.7	86.0	89.5
7214	6,936	7,433	7.2	2.4	1.7	15.7	17.4	7253	2,270	2,055	-9.5	8.1	16.1	49.4	59.7
7215	5,775	7,172	24.2	6.1	7.1	15.5	15.4	7254	3,929	3,998	1.8	19.0	12.1	62.2	70.4
7216	2,037	1,913	-6.1	15.4	24.5	32.1	39.7	7255	1,322	960	-27.4	7.9	1.7	22.7	26.4
7217	5,999	6,262	4.4	22.6	25.6	28.7	33.0	7256	4,751	3,616	-23.9	14.6	35.3	43.7	47.5
7218	4,151	3,790	-8.7	19.8	16.0	25.6	35.3	7257	2,636	2,118	-19.7	5.1	2.6	23.7	29.8
7219	5,751	8,657	50.5	13.5	13.1	50.9	57.8	7258	3,779	3,969	5.0	16.9	18.1	47.5	62.6
7220	8,288	9,066	9.4	7.8	8.2	31.2	38.9	7259	2,373	2,302	-3.0	19.6	16.6	38.7	22.2
7221	6,533	6,236	-4.5	9.0	2.8	27.2	35.4	7260	1,690	1,473	-12.8	4.0	6.2	16.0	21.7
7222	3,487	2,799	-19.7	25.2	37.0	66.4	69.5	7261	2,727	2,593	-4.9	7.8	7.7	9.1	2.7
7223	7,394	8,014	8.4	17.7	28.6	50.5	67.6								
7224	1,108	1,079	-2.6	31.3	25.4	74.1	71.0	<i>Total City</i>	58,789	50,785					
7225	2,510	2,444	-2.6	23.2	25.4	62.2	71.0	<i>Average City</i>	2,672	2,308	-11.9	22.5	22.7	53.9	52.5
7226	1,547	1,704	10.1	19.1	20.1	70.5	72.3								
7227	3,942	3,984	1.1	20.8	13.4	93.4	90.9								
7228	2,458	2,341	-4.8	16.3	23.2	42.1	64.1								
7229	2,633	2,928	11.2	12.1	20.4	32.9	47.4								
7230	3,586	3,064	-14.6	18.4	12.6	73.0	75.8								
7231	3,237	3,200	-1.1	13.1	10.1	54.1	69.1								
7232	2,748	3,462	26.0	15.9	17.2	36.9	45.6								
7233	4,081	5,422	32.9	5.0	7.7	11.3	17.5								
7234	5,986	6,042	0.9	9.8	4.6	12.4	18.3								
7235	9,415	10,880	15.6	10.3	12.6	14.0	16.2								
7236	4,131	3,960	-4.1	14.5	10.3	35.2	34.6								
7237	2,105	2,398	13.9	22.0	38.2	72.4	79.8								
7238	4,198	4,187	-0.3	8.5	7.0	17.9	18.4								
7239	3,853	2,895	-24.9	11.7	19.6	9.9	18.4								
<i>Total Mainland</i>	191,369	235,541						<i>Total County</i>	250,158	286,326					
<i>Average Mainland</i>	4,907	6,040	17.3	12.4	13.9	35.9	42.2	<i>Average County</i>	4,101	4,694	6.8	16.1	17.1	42.4	45.9

Map 2 **Census Tracts in Galveston County, Texas  
Percent of the Population Below Poverty**



The City of Galveston is a majority minority city, meaning that a majority of its population is either Hispanic of any racial group or is non-Hispanic but from a race other than white. The incidence of racial and ethnic minorities has remained fairly stable over time, falling only 1.4 percentage points from 2000 to 2010. The mainland also has a high incidence of racial and ethnic minorities, rising from 36 percent in 2000 to 42 percent in 2010, levels higher than found for tracts nationwide which was about 34 percent in 2010. (See Map 3.)

Map 3 **Census Tracts in Galveston County, Texas  
Percent of the Population Racial or Ethnic Minority**



The minority population is also distributed across the county in a non-random manner. The correlation between being a member of a racial or ethnic minority and having income below poverty is clearly evident by comparing maps 2 and 3. **Minorities are spatially concentrated in a pattern that is very similar to the spatial distribution of poverty.** In the City of Galveston, minorities are most concentrated on the eastern end of the island. On the mainland, minorities are most concentrated in the eastern tracts of the county.

**The high incidence of racial and ethnic minorities complicates the process of affirmatively furthering fair housing. Most tracts in the City of Galveston are already dominated by minorities making it difficult to locate scattered site public housing such that it promotes racial and ethnic integration.**

### *Population by Unemployment, Travel Time to Work and Educational Attainment*

The presence of significant levels of unemployment indicates a low-opportunity neighborhood in that the residents are unable to become gainfully employed. The average level of unemployment in the county was 8.2 percent in 2010. There was little variation between the island (average of 8.0 percent) and the mainland (average of 8.3 percent). (See Table 2.) In the county, 33 tracts have unemployment below 8 percent, indicating higher levels of employment among the residents. Of these 33 tracts, 12 are on the island (55 percent of the island tracts), and 21 are on the mainland (54 percent of mainland tracts).

Access to jobs is indicated by the percentage of commuters who have short travel times to work. The average tract in the county has about 70 percent of its commuters traveling less than 30 minutes to work. The island has the advantage in this measure with the average tract having 83 percent of its commuters with short travel times compared to 61 percent on the mainland. Only 9 tracts on the mainland meet this criterion while only 2 tracts on the island do not.

The presence of an above average incidence of adults (persons 25 or more years old) without a complete high school education indicates a low-opportunity neighborhood. On average, about 17 percent of adults did not have a high school diploma in the county in 2010. There was some variation between the island with a 20 percent average and the mainland at 16 percent. In the county, there are 37 tracts with 14 percent or more of the adult population lacking a high



school diploma, indicating poorly performing schools. Of these 37 tracts, 16 are on the island (73 percent of island tracts) and 21 are on the mainland (54 percent of mainland tracts).

### *Crime Rate*

Crime data are collected by the FBI, but **they are not tabulated at the tract level.** Rather, they are collected at the city level. Crimes are collected separately for violent crime and property crime. These crime counts are combined, weighting violent crime more heavily (by a factor of 10) than property crime and counts, and the combined counts are expressed per 100,000 population. Each tract is assigned the crime rate of its larger community. This approach loses the variation in crime rates within each community, but the data are not available to capture this variation. Crime is generally higher on the island than on the mainland. **Communities in the northern and western areas of the county enjoy the lowest crime rates.**

### *Tracts by Scale of the Housing Markets and Vacancy Rates*

Finding locations for scattered site public housing is an exercise in adding to the supply of housing. In an ideal setting, these additions would be placed in tracts where there is latent demand for additional units. Latent demand is demand that is not now satisfied by the market but could be if new units were added. **Latent demand for new units is indicated by a growth in population without a commensurate increase in the stock of housing. This condition generally results in a low and declining vacancy rate. (See Table 3.)**

Earlier it was noted that the population on the mainland grew by 23 percent in the ten years from 2000 to 2010. **Its housing stock matched the population growth with 23 percent growth.** Although the population and housing stock grew in a well-balanced manner, the vacancy rates indicate that the mainland is a relatively soft market. In general, it is expected that a normal rental market should have a vacancy rate of about 5 percent and the owner-occupied market should have a vacancy rate of about 2 percent. On the mainland, the vacancy rates are higher at 7.5 percent for rental units and 3.4 percent for owner-occupied units. These levels of vacancy indicate somewhat soft market conditions.

Identification of High-Opportunity Tracts as Locations for Scattered-Site Public Housing

**Table 3 Census Tracts in Galveston County, Texas  
Housing Stock 2000 and 2001 and Vacancy Rates by Tenure**

Tract Number	Housing Units 2000	Housing Units 2010	Percent Change	Vacancy Rate		Tract Number	Housing Units 2000	Housing Units 2010	Percent Change	Vacancy Rate	
				Rental 2010	Owner 2010					Rental 2010	Owner 2010
<i>Galveston County Mainland</i>						<i>City of Galveston</i>					
7201	1,522	1,973	29.6	0.0	0.0	7240	635	517	-18.6	8.4	0.0
7202	1,643	1,730	5.3	7.7	0.0	7241	968	1,251	29.2	21.4	22.9
7203	2,910	3,109	6.8	0.0	1.2	7242	1,794	1,968	9.7	14.6	0.0
7204	1,272	1,724	35.5	0.0	0.0	7243	2,258	2,029	-10.1	14.9	13.3
7205	4,933	9,169	85.9	7.4	3.5	7244	2,211	2,239	1.3	7.4	16.5
7206	1,332	3,795	184.9	8.1	3.3	7245	612	665	8.7	35.6	6.5
7207	2,011	3,137	56.0	8.8	3.6	7246	1,169	962	-17.7	9.0	12.2
7208	1,258	1,492	18.6	0.0	2.3	7247	1,284	1,374	7.0	14.7	10.3
7209	2,112	2,373	12.4	11.3	6.1	7248	1,033	1,176	13.8	18.3	0.0
7210	795	836	5.2	10.4	4.4	7249	967	1,112	15.0	28.2	4.6
7211	2,788	3,906	40.1	5.1	2.6	7250	1,071	1,213	13.3	5.7	7.2
7212	3,790	6,763	78.4	15.0	2.5	7251	951	1,128	18.6	20.6	4.6
7213	1,846	2,031	10.0	3.2	2.6	7252	978	895	-8.5	10.2	0.0
7214	2,418	3,047	26.0	7.0	1.6	7253	992	1,067	7.6	0.0	9.1
7215	3,267	3,606	10.4	5.4	1.9	7254	1,691	1,966	16.3	5.8	5.6
7216	928	887	-4.4	12.0	4.3	7255	644	662	2.8	0.0	0.0
7217	2,599	2,878	10.7	10.4	5.4	7256	3,007	2,865	-4.7	22.6	6.4
7218	2,190	2,057	-6.1	14.5	1.8	7257	1,071	1,081	0.9	13.5	7.6
7219	2,342	3,557	51.9	9.7	5.3	7258	2,039	2,176	6.7	19.4	0.0
7220	3,118	3,334	6.9	8.7	0.0	7259	1,592	1,988	24.9	19.4	28.8
7221	2,504	2,541	1.5	0.0	0.0	7260	1,012	1,077	6.4	0.0	2.8
7222	1,542	1,511	-2.0	13.1	2.9	7261	3,947	4,285	8.6	54.0	13.8
7223	2,806	2,811	0.2	3.6	0.0						
7224	529	543	2.7	13.7	7.9	<i>Total City</i>	31,926	33,696			
7225	1,042	1,231	18.1	13.7	7.9	<i>Average City</i>	1,451	1,532	6.0	15.6	7.8
7226	643	930	44.6	6.4	0.0						
7227	1,571	1,853	18.0	14.9	1.8						
7228	1,074	1,101	2.5	9.4	15.9						
7229	1,107	1,075	-2.9	8.7	0.0						
7230	1,496	1,388	-7.2	3.3	0.0						
7231	1,528	1,564	2.4	12.0	2.9						
7232	1,210	1,362	12.6	4.9	3.3						
7233	1,597	2,063	29.2	0.0	4.5						
7234	2,288	2,472	8.0	0.0	0.0						
7235	3,447	3,974	15.3	0.0	2.2						
7236	1,620	1,585	-2.2	4.6	3.3						
7237	929	1,043	12.3	4.6	9.0						
7238	2,375	2,901	22.1	1.8	7.1						
7239	5,425	3,396	-37.4	31.2	9.9						
<i>Total Mainland</i>	79,807	96,748				<i>Total County</i>	111,733	130,444			
<i>Average Mainland</i>	2,046	2,481	20.6	7.5	3.4	<i>Average County</i>	1,832	2,138.4	15.3	10.4	5.0



The population of the island contracted by 14 percent while its housing stock actually expanded by 6 percent from 2000 to 2010. This expansion resulted in extremely soft market conditions with 15.6 percent vacancy among rental units on the island and 7.8 percent vacancy among owner-occupied units. This extreme market softness suggests that the census tracts of Galveston County are not prime candidates for adding new units. Rather, if scattered site units are to be developed, they should rehabilitate or replace existing housing so as to not add further to the already too large supply of housing.

### *The Presence of Assisted Housing*

The presence of an above average incidence of assisted housing indicates that a tract is not a high-opportunity neighborhood. A high incidence of assisted housing works against efforts to deconcentrate poverty and integrate the poor into the mainstream community. The average level of assisted housing in the tracts of Galveston County was 4.6 percent in 2010. There was significant variation between the island (6.3 percent) and the mainland (3.6 percent). (See Table 4.)

In the county, 38 tracts have levels of assisted housing below 4 percent. Of these 38 tracts, 11 are on the island (50 percent of island tracts), and 27 are on the mainland (69 percent of mainland tracts).

### **Identification of High-Opportunity Tracts**

All of the criteria taken together can drive a site selection process. However, as a practical matter, it is not possible to expect that all criteria be met. None of the tracts meet all eight criteria. This suggests that some form of relaxation of the criteria is needed. Table 5 identifies those tracts that meet at least six of the eight criteria. A total of 15 tracts in the county meet at least six criteria with 12 of these on the mainland and 3 on the island.

The tracts that meet at least six criteria combine to form a set of very desirable areas for the location of scattered site public housing. (See Table 5.)

# Identification of High-Opportunity Tracts as Locations for Scattered-Site Public Housing

**Table 4 Census Tracts of Galveston County, Texas Assisted Housing Units by Program**

Tract Number	Housing Units 2010	Housing Choice Vouchers 2010	Public Housing 2008	Low-Income Housing Tax Credit 2006	Section 8 Project-based 2008	Percent Assisted 2006-2010	Tract Number	Housing Units 2010	Housing Choice Vouchers 2010	Public Housing 2008	Low-Income Housing Tax Credit 2006	Section 8 Project-based 2008	Percent Assisted 2006-2010
<i>Galveston County Mainland</i>							<i>City of Galveston</i>						
7201	1,973	2	0	0	0	0.1	7240	517	2	40	0	0	8.1
7202	1,730	0	0	0	0	0.0	7241	1,251	28	8	0	0	2.9
7203	3,109	1	0	0	0	0.0	7242	1,968	76	0	0	0	3.9
7204	1,724	10	0	0	0	0.6	7243	2,029	41	0	42	0	4.1
7205	9,169	15	0	80	0	1.0	7244	2,239	52	199	15	0	11.9
7206	3,795	19	0	0	0	0.5	7245	665	11	0	37	0	7.2
7207	3,137	5	0	250	0	8.1	7246	962	25	23	196	192	45.3
7208	1,492	17	0	0	0	1.1	7247	1,374	76	0	20	0	7.0
7209	2,373	45	0	0	100	6.1	7248	1,176	34	0	23	0	4.8
7210	836	1	0	0	0	0.1	7249	1,112	17	2	0	0	1.7
7211	3,906	45	0	131	0	4.5	7250	1,213	35	0	0	0	2.9
7212	6,763	14	0	0	0	0.2	7251	1,128	46	4	0	0	4.4
7213	2,031	3	0	0	0	0.1	7252	895	36	2	38	0	8.5
7214	3,047	0	0	0	0	0.0	7253	1,067	24	0	0	0	2.2
7215	3,606	1	0	0	0	0.0	7254	1,966	57	4	0	0	3.1
7216	887	0	0	0	0	0.0	7255	662	11	0	0	0	1.7
7217	2,878	13	0	0	0	0.5	7256	2,865	10	159	0	0	5.9
7218	2,057	40	0	0	0	1.9	7257	1,081	17	0	0	0	1.6
7219	3,557	340	0	90	50	13.5	7258	2,176	21	9	0	0	1.4
7220	3,334	67	0	0	0	2.0	7259	1,988	6	0	208	0	10.8
7221	2,541	38	0	152	0	7.5	7260	1,077	0	0	0	0	0.0
7222	1,511	33	56	0	50	9.2	7261	4,285	0	0	0	0	0.0
7223	2,811	77	0	0	0	2.7							
7224	543	4	50	0	0	9.9	<i>Total City</i>	33,696	625	450	579	192	
7225	1,231	46	0	0	0	3.7	<i>Average City</i>	1,532	28	20	26	9	6.3
7226	930	17	0	0	0	1.8							
7227	1,853	69	24	0	0	5.0							
7228	1,101	54	0	0	0	4.9							
7229	1,075	25	0	0	0	2.3							
7230	1,388	59	0	0	0	4.3							
7231	1,564	17	0	0	0	1.1							
7232	1,362	12	0	32	0	3.2							
7233	2,063	1	0	48	0	2.4							
7234	2,472	1	0	0	0	0.0							
7235	3,974	1	0	0	0	0.0							
7236	1,585	17	0	224	0	15.2							
7237	1,043	109	0	54	72	22.5							
7238	2,901	17	0	60	0	2.7							
7239	3,396	0	0	0	0	0.0							
<i>Total Mainland</i>	96,748	1,235	130	1,121	272		<i>Total County</i>	130,444	1,860	580	1,700	464	
<i>Average Mainland</i>	2,481	32	3	29	7	3.6	<i>Average County</i>	2,138	30	10	28	8	4.6

# Identification of High-Opportunity Tracts as Locations for Scattered-Site Public Housing

**Table 5 Census Tracts of Galveston County, Texas Identification of High-Opportunity Tracts**

Identification of High-Opportunity Tracts																			
Tract Number	Poverty Less than 10% 2010	Poverty Stable or Declining 2000-2010	Minority Population Less than 45% 2010	Adults Without High School Than 14% 2010	Unemployed Less than 8% 2010	Short Commute Greater than 70% 2010	Crime Rate Less than 700 2010	Assisted Housing Less than 4% 2010	Meets 6+ Criteria 2010	Tract Number	Poverty Less than 10% 2010	Poverty Stable or Declining 2000-2010	Minority Population Less than 45% 2010	Adults Without High School Than 14% 2010	Unemployed Less than 8% 2010	Short Commute Greater than 70% 2010	Crime Rate Less than 700 2010	Assisted Housing Less than 4% 2010	Meets 6+ Criteria 2010
<i>Galveston County Mainland</i>										<i>City of Galveston</i>									
7201	1	1	1	1	1		1	1	1	7240									1
7202	1	1	1	1	1		1	1	1	7241					1				1
7203	1		1	1	1		1	1	1	7242				1	1	1			1
7204	1	1	1	1	1		1	1	1	7243		1							1
7205	1		1	1	1		1	1	1	7244	1	1	1		1	1			1
7206	1	1	1	1	1		1	1	1	7245	1	1			1	1			1
7207	1		1	1	1		1			7246	1								
7208		1			1		1	1		7247					1	1			
7209			1		1		1			7248	1					1			
7210			1	1			1	1		7249	1					1			1
7211		1	1		1		1			7250					1	1			1
7212	1		1	1	1		1	1	1	7251						1			1
7213			1	1	1		1	1		7252									1
7214	1	1	1	1	1		1	1	1	7253									1
7215	1		1	1	1		1	1	1	7254		1			1	1			1
7216			1		1		1	1		7255	1	1	1	1	1	1	1		1
7217			1				1	1		7256			1			1			
7218		1	1					1		7257	1	1	1	1	1	1	1		1
7219		1		1						7258					1	1			1
7220	1		1	1	1	1		1	1	7259		1	1	1	1	1			1
7221	1	1	1		1					7260	1		1	1	1	1			1
7222						1				7261	1	1	1	1	1				1
7223						1		1											
7224		1				1				<b>Total City</b>	<b>4</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>20</b>	<b>0</b>	<b>11</b>	<b>3</b>
7225					1	1		1											
7226					1	1		1											
7227		1		1		1													
7228			1																
7229			1			1		1											
7230		1																	
7231		1				1		1											
7232			1			1		1											
7233	1		1	1			1	1											
7234	1	1	1	1	1		1	1	1										
7235			1		1		1	1											
7236		1	1				1												
7237							1												
7238	1	1	1	1	1			1	1										
7239			1					1											
<b>Total Mainland</b>	<b>15</b>	<b>17</b>	<b>28</b>	<b>18</b>	<b>21</b>	<b>10</b>	<b>22</b>	<b>27</b>	<b>12</b>	<b>Total Cour</b>	<b>19</b>	<b>28</b>		<b>24</b>	<b>33</b>	<b>30</b>		<b>38</b>	<b>15</b>

Identification of High-Opportunity Tracts as Locations for Scattered-Site Public Housing

Table 6 **Census Tracts of Galveston County, Texas  
Characteristics of High-Opportunity Tracts**

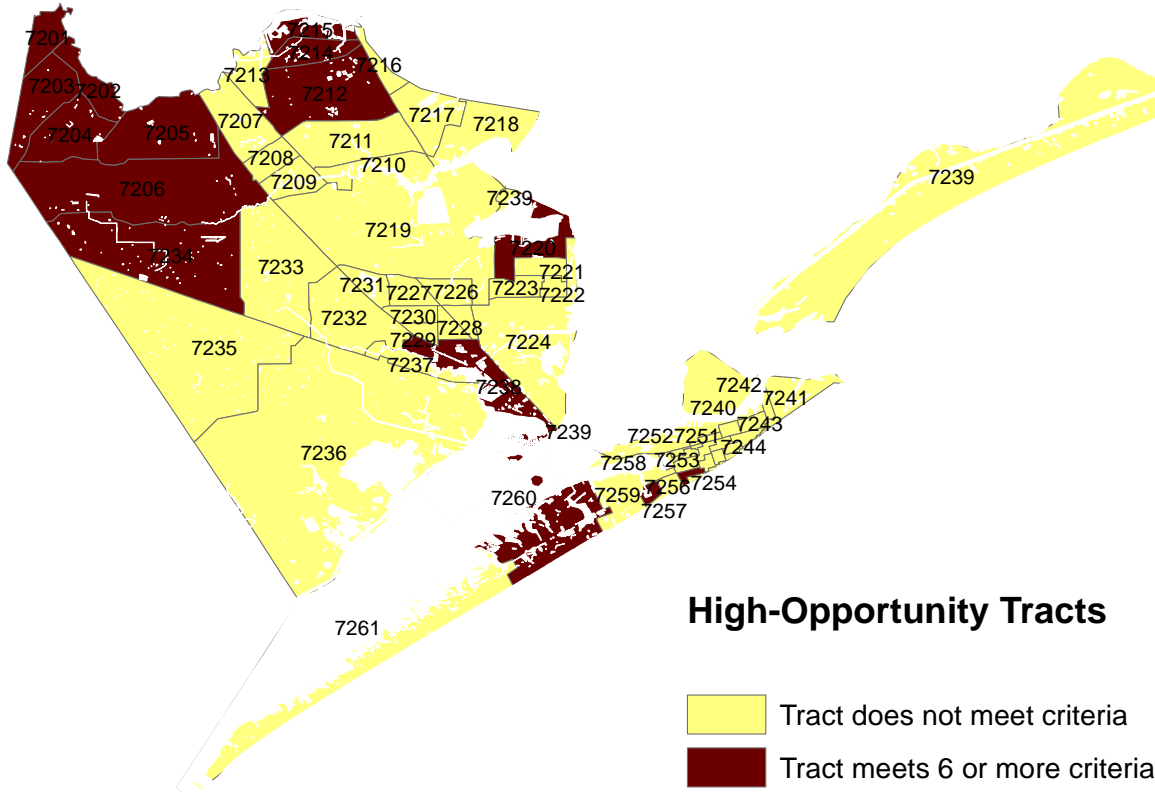
Tract	Percent Below Poverty 2010	Change in Poverty 2000 to 2010	Percent Minority Population 2010	Percent Adults Lack High School 2010	Percent Unemployed 2010	Percent Commutes Less than 30 minutes 2010	Percent Assisted Housing 2006-2010	Combined Community Crime Rate 2010
<i>Mainland</i>								
7201	2.4	-0.7	22.1	7.2	3.0	55.5	0.1	175
7202	3.1	-0.2	19.2	1.7	6.0	44.6	0.0	175
7203	4.2	1.2	19.8	5.4	3.9	54.5	0.0	175
7204	0.1	-0.4	17.9	1.2	2.6	47.1	0.6	175
7205	5.5	1.3	32.3	4.5	3.1	54.7	1.0	318
7206	4.7	-0.5	45.8	8.5	6.5	46.5	0.5	318
7212	6.2	1.2	29.7	5.6	5.4	54.4	0.2	318
7214	1.7	-0.7	17.4	5.7	3.6	62.4	0.0	318
7215	7.1	0.9	15.4	3.8	6.7	55.5	0.0	318
7220	8.2	0.4	38.9	8.5	6.1	77.3	2.0	753
7234	4.6	-5.2	18.3	11.9	7.6	46.5	0.0	371
7238	7.0	-1.4	18.4	5.6	3.0	59.2	2.7	1,405
<i>Island</i>								
7255	1.7	-6.2	26.4	26.4	0.0	77.0	1.7	1,418
7257	2.6	-2.5	29.8	47.5	4.3	90.4	1.6	1,418
7260	6.2	2.2	21.7	29.8	3.8	85.0	0.0	1,418
<i>Average of:</i>								
Selected Tracts	4.3	-0.7	24.9	11.6	4.4	60.7	0.7	605
County	17.1	1.1	45.9	17.4	8.2	82.5	4.6	908

The selected tracts have a lower level of poverty than is found in the county. They generally experienced a decline in poverty over the period from 2000 to 2010 while it was increasing elsewhere. The level of racial and ethnic minority concentration is lower. The rate of adults lacking a high school education is about two-thirds of the level of the county. Unemployment is lower, but the incidence of short commutes to work is lower as well indicating that access to employment can be a challenge. The percent of assisted housing is lower. Finally, the crime rates are about two-thirds of the county average.

Map 4 illustrates the spatial distribution of the selected tracts. The selected tracts on the island are on the western side of island. The tracts on the mainland are distributed throughout the county.

Map 4      **Census Tracts in Galveston County, Texas**  
**High-Opportunity Tracts for the Location of Scattered Site Public Housing**

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**Ranking of Census Tracts of Galveston County, Texas  
for the Location of Scattered-Site Housing**

Kirk McClure, Ph.D.  
Professor  
Department of Urban Planning  
University of Kansas  
1465 Jayhawk Boulevard, 317 Marvin Hall  
Lawrence, Kansas 66045-7626

785.864.3888  
[mclure@ku.edu](mailto:mclure@ku.edu)

September, 2013

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## Ranking of Census Tracts of Galveston County, Texas for the Location of Scattered-Site Housing

### ***Abstract and conclusions***

*This report ranks the census tracts of Galveston County, Texas, according to their desirability for the location of scattered-site public housing units. The report examines the census tracts of Galveston County using demographic data taken from the Census of 2010 and the Census of 2000 along with assisted housing data from the U.S. Department of Housing and Urban Development and crime data from the Federal Bureau of Investigation. The 61 tracts of Galveston County, Texas, have been ranked using the following criteria:*

- *Percent of the population living below poverty in the tract is less than 10 percent,*
- *Percent of the population living below poverty in the tracts is declining from 2000 to 2010,*
- *Percent of population that is minority is less than 45 percent,*
- *Unemployment among workers in the tract is less than 8 percent,*
- *More than 70 percent of commuters in the tract travel less than 30 minutes to work,*
- *Percent of adults lacking a complete high school education is less than 14 percent,*
- *Combined violent and property crime rate is below 700, and*
- *Percent of housing units assisted is less than 4 percent.*

The tracts are ranked by the number of these criteria that are met by each tract.

### **Background**

The City of Galveston is searching for the best sites for the location of public housing units to be developed in a scattered-site format. The City asked that the census tracts of Galveston County, Texas, be ranked so as to identify the relative desirability of the tracts for the location of scattered-site public housing.

**The Research Question: How should the census tracts of Galveston County, Texas, be ranked in order to identify the locations within the county offering the highest opportunities for scattered-site public housing units that will affirmatively further fair housing?**

The body of published research on assisted housing holds that assisted renter households are best served if they are able to locate in high-opportunity neighborhoods and are ill-served if they are located in low-opportunity neighborhoods.

There is no operational definition of the term high-opportunity. At the minimum, a high-opportunity neighborhood is deemed to be low-poverty with the rate of poverty stable or declining. However, a low and declining level of poverty is not sufficient. Beyond just living in a low-poverty neighborhood, the poor households who will occupy the scattered-site units also need access to good schools and gainful employment in a neighborhood that offers both economic and racial integration plus freedom from the fear of crime.

The quality and effectiveness of the nearby schools is measured by the percent of adults who have, at least, completed a high school education. Access to gainful employment is measured through two variables. First, the percentage of the civilian workforce that is employed indicates the level of employment. Second, the incidence of workers with ready access to jobs is assessed by the percentage of workers who commute fewer than 30 minutes to and from their jobs. The notion of economic integration is addressed by low levels of poverty, but it is also addressed by the absence of large clusters of assisted housing. The level of crime is measured by the combined violent and property crimes reported to the FBI and expressed as the number of incidents per 100,000 population in the community. Finally, racial and ethnic integration are addressed by the percentage of the population that is either Hispanic of any racial group or non-Hispanic but a member of any race other than white.

Specifically, each tract is categorized by the following criteria:

- Was the percentage of the population with income below poverty level less than 10 percent in 2010?
- Did the percentage of the population with income below the poverty level decline from 2000 to 2010?
- Was the percentage of the population that was Hispanic of any race or non-Hispanic from any race other than white less than 45 percent in 2010?
- Was the level of unemployment among the civilian workforce less than 8 percent in 2010?
- Was the percentage of commuters who traveled less than 30 minutes to and from work greater than 70 percent?



- Was the percentage of adults lacking a complete high school education less than 14 percent in 2010?
- Was the percentage of housing units subsidized through any of the federal rental assistance programs less than 4 percent in 2010?
- Was the count of violent crime incidents plus one-tenth of the count of property crimes per 100,000 less than 700 in 2010?

The census tracts of Galveston County were all scored according to how many of these criteria were met.

### **The Census Tracts of Galveston County, Texas**

Map 1 identifies the Census tracts of Galveston County, Texas as defined for the 2000 Census. The county was divided into 39 tracts on the mainland (including the Bolivar Peninsula) and 22 tracts on the island that is the City of Galveston. The Bureau of the Census divided a few rapidly growing tracts and merged two contracting tracts together for the 2010 census. However, HUD data are coded to the tracts as delineated for the 2000 Census. For this reason, this report uses the tracts as defined for the 2000 census.

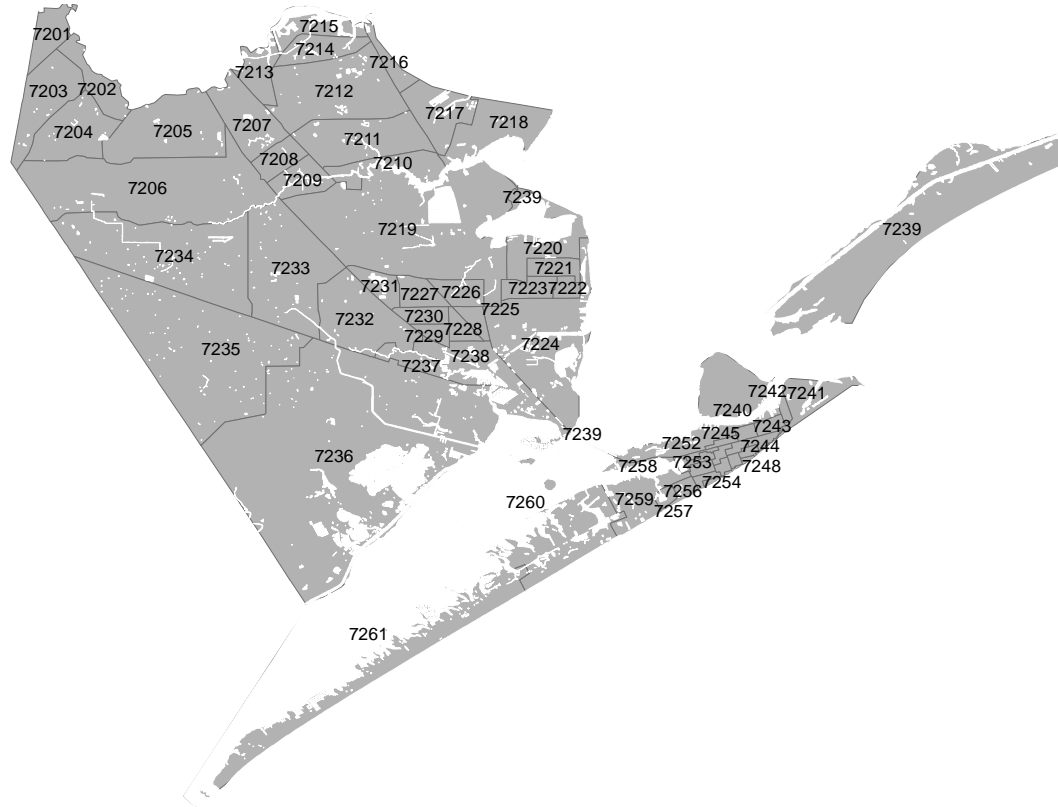
Tracts 7201 through 7238 are on the mainland of Galveston County and tract 7239 makes up the Bolivar Peninsula. Tracts 7240 through 7261 are on the island. (See Map 1.)

### **The Ranking of Census Tracts of Galveston County, Texas for Opportunities to Locate Scattered-Site Public Housing**

Tables 1A and 1B list the tracts rank ordered by the number of criteria that are met by each tract. None of the tracts in Galveston County met all eight criteria. Seven tracts meet seven of the eight criteria and an additional eight tracts meet six of the criteria. Of these 15 tracts, 12 are located on the mainland, and three are on the island.

Map 1      **Census Tracts in Galveston County, Texas  
Defined for Census 2000**

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Of the 15 tracts that satisfy at least six of the criteria, all 15 had poverty that was below 10 percent in 2010, a criterion that is considered an important, if not the most important, consideration for the identification of high-opportunity neighborhoods. However, six of these tracts experienced some level of increase in the level of poverty. Increasing poverty can become a problem for the location of scattered-site public housing because the households who will reside in the units will probably have incomes below poverty. It is unwise for public action, such as development of public housing, to raise the incidence of poverty above the 10 percent threshold. As long as the level of poverty stays at or below this level, there is little or no threat to the neighborhood.

Of the 15 tracts that satisfy at least 6 of the criteria, all but one had minority concentrations below 45 percent. Thus, 14 of the selected 9 tracts offer locations with low levels of poverty and good levels of racial and ethnic integration.

The spatial locations of these tracts along with their ranking are illustrated on Map 2.

Ranking of Census Tracts of Galveston County, Texas for the Location of Scattered-Site Housing

Table 1 A **Census Tracts in Galveston County, Texas**  
**Ranking for Desirable Locations for Scattered-Site Public Housing**  
**Rank of 7 is highest and 0 is lowest**

Tract	Population Below Poverty Less than 10 percent	Population Percent Below Poverty Declining	Population Minority Less than 45 percent	Workers Unemploy Less than 8 percent	Workers with Short Commute. Greater th 70 percent	Adults Lacking High Scho Less than 14 percent	Assisted Housing Assisted Less than 4 percent	Combined Crime Rate Less than 700	Sum of Scores
7201	1	1	1	1	0	1	1	1	7
7202	1	1	1	1	0	1	1	1	7
7204	1	1	1	1	0	1	1	1	7
7214	1	1	1	1	0	1	1	1	7
7234	1	1	1	1	0	1	1	1	7
7255	1	1	1	1	1	1	1	0	7
7257	1	1	1	1	1	1	1	0	7
7203	1	0	1	1	0	1	1	1	6
7205	1	0	1	1	0	1	1	1	6
7206	1	1	0	1	0	1	1	1	6
7212	1	0	1	1	0	1	1	1	6
7215	1	0	1	1	0	1	1	1	6
7220	1	0	1	1	1	1	1	0	6
7238	1	1	1	1	0	1	1	0	6
7260	1	0	1	1	1	1	1	0	6
7207	1	0	1	1	0	1	0	1	5
7213	0	0	1	1	0	1	1	1	5
7233	1	0	1	0	0	1	1	1	5
7259	0	1	1	1	1	1	0	0	5
7261	1	1	1	0	0	1	1	0	5

Ranking of Census Tracts of Galveston County, Texas for the Location of Scattered-Site Housing

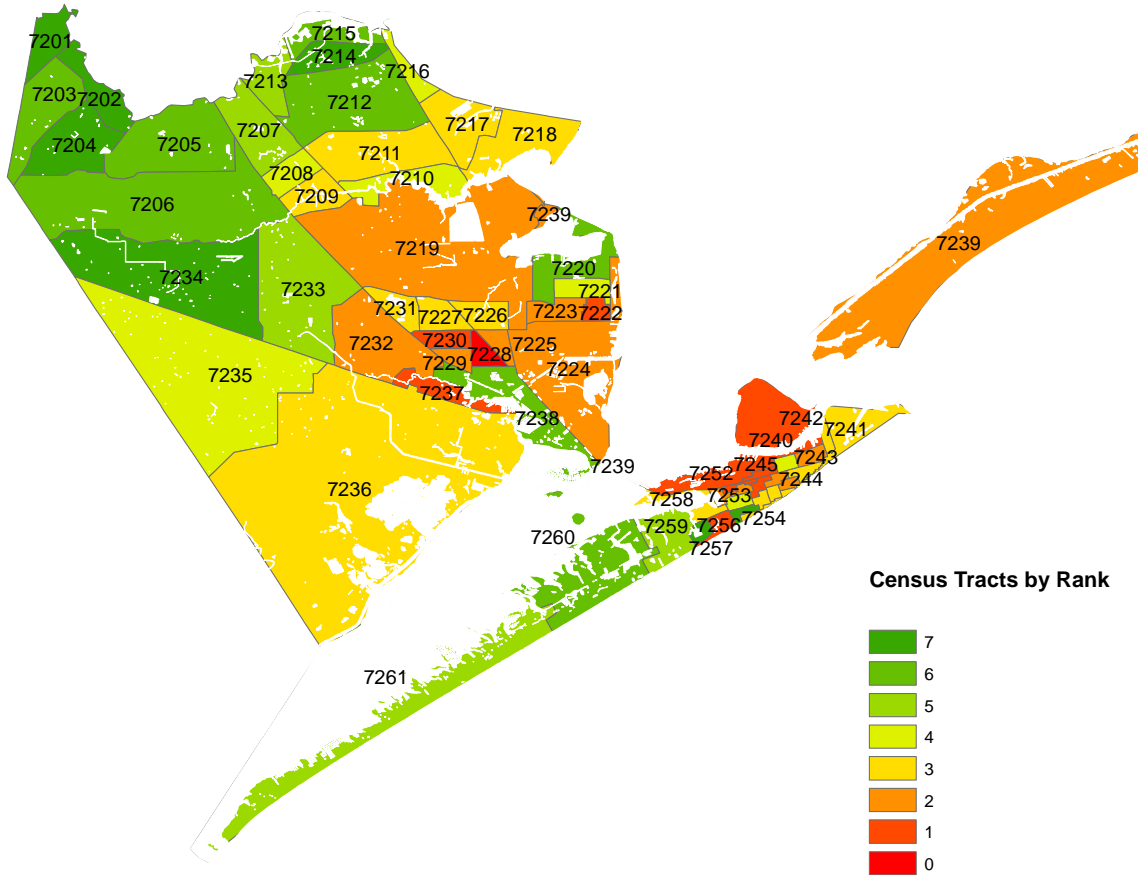
**Table 1 B**      **Census Tracts in Galveston County, Texas**  
**Ranking for Desirable Locations for Scattered-Site Public Housing**  
**Rank of 7 is highest and 0 is lowest**

Tract	Population Below Poverty Less than 10 percent	Population Percent Below Poverty Declining	Population Minority Less than 45 percent	Workers Unemploy Less than 8 percent	Adults with Short Commute. Greater th 70 percent	High Scho Less than 14 percent	Assisted Housing Less than 4 percent	Combined Crime Assisted Less than 700	Sum of Scores
7208	0	1	0	1	0	0	1	1	4
7210	0	0	1	0	0	1	1	1	4
7216	0	0	1	1	0	0	1	1	4
7221	1	1	1	1	0	0	0	0	4
7235	0	0	1	1	0	0	1	1	4
7245	0	1	1	1	1	0	0	0	4
7254	0	1	0	1	1	0	1	0	4
7209	0	0	1	1	0	0	0	1	3
7211	0	1	0	1	0	0	0	1	3
7217	0	0	1	0	0	0	1	1	3
7218	0	1	1	0	0	0	1	0	3
7226	0	0	0	1	1	0	1	0	3
7227	0	1	0	0	1	1	0	0	3
7231	0	1	0	0	1	0	1	0	3
7236	0	1	1	0	0	0	0	1	3
7241	0	0	0	1	1	0	1	0	3
7242	0	0	0	1	1	1	0	0	3
7244	0	1	0	1	1	0	0	0	3
7249	0	1	0	0	1	0	1	0	3
7250	0	0	0	1	1	0	1	0	3
7258	0	0	0	1	1	0	1	0	3
7219	0	1	0	0	0	1	0	0	2
7223	0	0	0	0	1	0	1	0	2
7224	0	1	0	0	1	0	0	0	2
7225	0	0	0	0	1	0	1	0	2
7229	0	0	0	0	1	0	1	0	2
7232	0	0	0	0	1	0	1	0	2
7239	0	0	1	0	0	0	1	0	2
7243	0	1	0	0	1	0	0	0	2
7247	0	0	0	1	1	0	0	0	2
7248	0	1	0	0	1	0	0	0	2
7253	0	0	0	0	1	0	1	0	2
7222	0	0	0	0	1	0	0	0	1
7230	0	1	0	0	0	0	0	0	1
7237	0	0	0	0	0	0	0	1	1
7240	0	0	0	0	1	0	0	0	1
7246	0	1	0	0	0	0	0	0	1
7251	0	0	0	0	1	0	0	0	1
7252	0	0	0	0	1	0	0	0	1
7256	0	0	0	0	1	0	0	0	1
7228	0	0	0	0	0	0	0	0	0

Map 2

**Census Tracts in Galveston County, Texas**

**Census Tracts of Galveston County Ranked by the number of Opportunity Criteria Met**



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**Review and Analysis of Plans for Regionalization of Housing Opportunities for  
Low- and Moderate-Income Households**

Kirk McClure, Ph.D.  
Professor  
Department of Urban Planning  
University of Kansas  
1465 Jayhawk Boulevard, 317 Marvin Hall  
Lawrence, Kansas 66045-7626

785.864.3888  
[mcclure@ku.edu](mailto:mcclure@ku.edu)

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## Review and Analysis of Plans for Regionalization of Housing Opportunities for Low- and Moderate-Income Households

**Task:** Review and analyze plans for regionalization of opportunities for low- and moderate-income households in relevant metropolitan markets, including but not limited to New Orleans, Baltimore, and Chicago.

### *Abstract and conclusions*

*This report reviews attempts to regionalize housing programs in several metropolitan areas to determine what lessons can be learned for Galveston. Many cities are shrinking or even eliminating their stock of public housing. As part of this process, each city must determine how to rehouse the households who are displaced and how to redevelop the sites of the old public housing projects. The overall trend nationwide is to replace deteriorated public housing projects with mixed-income developments and to disperse the impoverished residents of the public housing projects into low-poverty, high-opportunity neighborhoods across the metropolitan area. A high-opportunity neighborhood must offer a safe location with access to good schools and gainful employment as well as economic, racial and ethnic diversity. To make the dispersal strategy sustainable, extensive housing counseling and supportive services are needed.*

### **Background**

The City of Galveston is confronting the problems associated with locating assisted housing units and households. Hurricane Ike destroyed many public housing units located in the City of Galveston. The community is debating how to address the problems of affordable housing. Plans call for a variety of strategies. Replacement public housing units are planned to be built as part of mixed-income developments on the sites of the original developments. Scattered-site units are planned to be built in the City of Galveston or elsewhere in the area.

**The Research Question: How have other communities attempted to resolve affordable housing problems when replacing or demolishing public housing?**

The body of published research on assisted housing is large and varied. Some issues are well resolved in the research; other issues seem to be open for continued debate.

A first consideration in selecting locations for assisted housing is to look at housing market conditions. Generally housing markets are good at providing enough housing units for the



population's needs. Too often, markets build more than is needed. Galveston is no exception; it has built more housing units than are needed by the population. Galveston County has 130,000 housing units to house about 107,000 households. This more than ample housing supply results in high vacancy rates at 16 percent among rental units and 8 percent among owner-occupied units (Bureau of the Census 2013). Note that a 5 percent vacancy rate is considered normal in a rental housing market and a 2 percent vacancy rate is considered normal in a market for owner-occupied housing. Given the high levels of vacancy in Galveston, it would be considered a very soft market. Soft markets make it possible to utilize units in the existing marketplace as a resource for assisted housing. Soft markets are rarely suitable for the addition of new units because the supply is already bloated.

In 2010, Galveston County had about 32,500 renter households living in about 37,300 rental units (Bureau of the Census 2013). Thus, the Galveston housing market is good at providing a more than adequate number of housing units. Unfortunately, the Galveston housing market is not good at providing enough housing units at the right prices for each income strata, a problem commonplace throughout the nation. In 2010, Galveston County had about 10,100 renter households with income below \$20,000 per year, meaning that they live at or below the poverty line. These households can afford no more than \$500 in gross rent assuming that their total housing costs, which are rent plus utilities, should be no more than 30 per cent of their incomes. There are only about 3,300 rental units in Galveston County with rents below \$500, leaving a shortfall of 6,800 units affordable to the poor. Thus, while Galveston has enough units in total, it has many poor households who are not able to enter the market for that housing without suffering a very high housing cost burden. This means that Galveston does not have a housing shortage; rather, it has many poor households who need assistance in order to consume the housing that is available in the marketplace.

A second consideration in selecting locations for assisted housing is the availability of resources to address affordable housing problems. Nearly all affordable housing programs are federally funded. The federal government has, for many years, taken two different approaches to resolving the problem of housing affordability. The first is to build units specifically for occupancy by the poor. This approach is more costly per household served, but it is especially appropriate where shortages of housing exist. Public housing was the program of choice to

resolve this problem in the past. It was followed by project-based programs such as the Section 8 New Construction/Substantial Rehabilitation program and others. Currently the Low-Income Housing Tax Credit (LIHTC) program is the active program that supports the development of units for low-income households. The second approach is to help poor renter households consume rental housing in the private market. This approach is less costly per household served, but it works best where an adequate supply of rental housing exists. This approach was originally called the Section 8 existing housing certificate program. Now it is called the Housing Choice Voucher (HCV) program.

The LIHTC program is the currently favored form of project-based assisted housing. Units built or rehabilitated for the program can be rented only to low-income households with rents no higher than what a typical low-income household can afford. Developers use the tax credits to attract equity investors into their project's ownership making the project feasible.

The HCV program is administered by public housing authorities. Vouchers are given to eligible poor households. These poor households lease units in the private market, paying 30 percent their income toward rent and utilities. The HCV program pays the remainder of the rent and utility costs.

The trend has been to support both approaches, but there has been a shift in who is served by each approach. The approach that produces units is now serving a less poor population. The LIHTC program tends to serve households whose income is 30 to 60 percent of the metropolitan area's median income level. While these households are considered to have low-income according to the definition employed by the federal government, these households have considerably more income than the households who occupy public housing. The approach that helps households consume existing units with vouchers tends to serve the poorest of the poor, those whose income is below 30 percent of the area's median income level. With this shift, the stock of public housing is slowly being phased out. Vouchers will serve the needs of the poorest of the poor while LIHTC units will serve the least worst off of the poor.

The portfolio of public housing units is contracting nationwide with more demolitions than additions. Public housing has a noble purpose, to provide good quality housing for the very

poor. It has succeeded in many of its attempts to serve this purpose. It is generally successful in providing housing for the elderly and the disabled. Public housing has been less successful in providing housing for non-elderly families.

The research on public housing teaches us that the concentration of poverty should be avoided (Wilson 1987; Turner 1998; Carter, Shill, and Wachter 1998). Poverty presents many challenges to the affected households. If these households are spatially concentrated, especially in a single housing project, the problems of poverty are exacerbated. Dispersal of the poor is possible through assisted housing. Several programs and initiatives have been undertaken to use assisted housing as a resource to help households locate away from areas with high levels of poverty and into areas with low levels of poverty. The motivation is straightforward. Housing assistance should do more than provide affordable shelter. Housing assistance should be administered so that the assisted household locates in a safe neighborhood offering access to good schools and gainful employment.

Use of housing assistance programs to accomplish the goals of poverty deconcentration means that the destination neighborhoods should offer economic as well as racial and ethnic integration. Economic integration means low concentrations of poverty with a mixing of income levels. Racial and ethnic integration means a mixing of racial and ethnic groups without high concentrations of minorities. Several efforts have been undertaken to accomplish these twin goals of poverty and minority deconcentration. These include:

- Chicago                      The Gautreaux Program,
- Multiple cities              The Moving to Opportunity Program,
- Minneapolis-Saint Paul      Demolition of public housing and dispersal,
- Baltimore                      Demolition of public housing and dispersal,
- New Orleans                  Disaster recovery from Katrina, and
- Multiple cities                  HOPE VI program for public housing redevelopment.

All these efforts provide some information that is useful in finding a solution to the assisted housing problems of Galveston.

*Chicago: The Gautreaux Program*

The Gautreaux program was born out of a consent decree, but it was, in effect, a quasi-experiment in the use of vouchers to promote racial integration (Rubinowitz and Rosenbaum, 2000). The NAACP successfully filed suit against the Chicago Housing Authority and HUD charging discrimination. The consent decree from this case provided for the allocation of vouchers to a set of low-income, inner-city households **with the condition that, in order to receive the voucher, each household must move to a racially integrated, suburban neighborhood without large concentrations of other assisted households or assisted housing units.** While its purpose was racial integration, the high correlation between concentrated poverty and the concentration of racial minorities meant that the Gautreaux experiment became a poverty deconcentration initiative in addition to its stated purpose of correcting past racial segregation. The households given vouchers with the requirement that they move to a racially integrated neighborhood were compared to another set of households given vouchers without a restriction on the neighborhoods where they could locate. Surveys of participants indicated that those households who moved to suburban locations were more likely to have a job after they moved (a differential of 16 percentage points), although they did not work more hours or earn higher wages (Rosenbaum, 1995). Survey results also indicated that the children in the households who moved to the integrated suburbs were more likely to stay in school, to be employed after graduation, and to go on to four-year colleges or universities (Popkin, Buron, Levy, and Cunningham, 2000).

**The results from the Gautreaux program were always suspect because of the problems of self-selection by the two groups of voucher households.** The households who moved to the suburbs were probably different from the households who took unrestricted vouchers. The households who entered the program volunteered for participation knowing the requirement to move to the racially integrated suburbs. These households also knew that they would be subject to more stringent screening for past criminal behavior, for past performance in paying rent in a timely manner and for their record of taking care of the previous rental unit. This screening could have caused the movers to the suburbs to be a different population than the households who chose unrestricted vouchers.

*Lessons from the Gautreaux Program:*

- Housing vouchers can be a relocation resource that provides more than just affordable shelter; the vouchers can help poor minority households locate in safe neighborhoods.
- Use of vouchers to deconcentrate the poor can generate positive gains in employment and education.

*Moving to Opportunity in Multiple Cities*

Given the doubts that researchers expressed with the Gautreaux groups and the desire to learn more about how to deconcentrate the poor, the Gautreaux initiative fostered HUD's Moving to Opportunity (MTO) experiment (Goering, Feins, and Richardson, 2003). The positive results that came from the Gautreaux experience gave HUD and Congress an incentive to test the concept further through a carefully designed experiment conducted in five cities: Baltimore, Boston, Chicago, Los Angeles and New York. MTO was a carefully designed experiment. The experimental group of public housing residents received vouchers with **the restriction that the household must rent a unit in a neighborhood with poverty below 10 percent.** A control group received vouchers without restrictions on where they could locate. A comparison group stayed in public housing. The MTO program had the distinct advantage over the Gautreaux program in that efforts were taken to ensure that the experimental group (households given vouchers with the restriction that they move to low-poverty neighborhoods) could be directly compared to a control group who stayed in public housing and a control group offered vouchers without restriction on where they could move.

The households were surveyed repeatedly over a period of years. The quality of their housing, employment and health were assessed along with their educational attainment and many other factors. The goal of the MTO program was poverty deconcentration. The program sought economic integration by moving poor households to neighborhoods without concentrations of poverty. But the program had no explicit criterion on racial integration or movement to the suburbs as did the Gautreaux program.

The program results were, at best, mixed and are described by many analysts as disappointing. Households who moved to low-poverty tracts were able to find good quality housing in safe neighborhoods, but the results indicate that it is not easy to achieve this outcome (Sanbonmatsu et al 2012). A basic measure of success of the MTO program is found in the percentage of households who were able to successfully lease a housing unit in a low-poverty tract and continue to reside in a low-poverty tract over time. **Only about one-half of the households who entered the program were successful at finding good quality units in low-poverty neighborhoods** (Shroder and Orr, 2012).

For those households who successfully entered the program, the positive outcomes were limited, but important. Gains for participating households were found in the health benefits realized by adults. MTO adults had lower incidence of diabetes, extreme obesity, physical limitations and psychological distress than did adults in the control groups. Many of these positive health benefits are associated with **movement away from crime intensive areas and into relatively crime-free areas**. Reducing the stress resulting from a fear of crime appears to have beneficial physical and mental health effects (Sanbonmatsu et al 2012). Neutral outcomes and even a few negative results were found in the many tests made for various other hypothesized outcomes. For youths in the program, there were few detectable benefits (Gennetian et al, 2012). **Schooling outcomes were no different between those households who moved to low-poverty tracts compared to those who did not, even for those children who were of preschool age when they entered the program**. The MTO program also had few detectable effects on the physical health outcomes for young people. Where favorable outcomes were found, they tended to be among young females, particularly with mental health outcomes. Less favorable patterns were found among young males (Genetian et al 2012). The MTO program generated few effects on economic well-being measured through employment, earnings, household income, and use of government assistance programs such as receipt of food stamps or Temporary Aid to Needy Families (Sanbonmatsu 2012). Turner (2012) offers, **“One possible reason that MTO gains were limited to health outcomes is that the special mobility assistance provided by the demonstration did not enable families to gain and sustain access to high-opportunity neighborhoods.”** It appears that success takes more than a voucher and a directive to move to a tract with poverty below 10 percent. Most of the households in the experimental

group of voucher households moved to neighborhoods with poverty below 10 percent moved only short distances within the central city and even the same school districts with only a marginal change in minority concentration.

The MTO program failed to replicate the positive benefits found in the Gautreaux program. Observers of the MTO program called it a “strong idea weakly implemented” (Briggs, Popkin and Goering 2010). The notion of moving poor households out of high-crime neighborhoods with high levels of poverty, weak schools and few employment opportunities remains valid as the Gautreaux program demonstrates. However, it is hard to replicate the Gautreaux results. A voucher with instructions to move to a low-poverty neighborhood is not enough. **Housing counseling is needed that provides guidance to high-opportunity neighborhoods and the means to sustain the household in the new environment.**

*Lessons from the MTO Program:*

- Movement of poor households to low-poverty neighborhoods is not enough.
- High-opportunity neighborhoods must offer more than just low-poverty. They must also offer access to well performing schools and gainful employment along with racial and ethnic diversity.
- Housing counseling and case management are important components of any poverty deconcentration effort.

*Desegregation Case: The Hollman Case in the Twin-Cities*

The success of the Gautreaux program fostered comparable suits against HUD in other cities over sanctioned patterns of segregation. The *Hollman v. Cisneros* case in Minneapolis is one. As in Chicago, the court found HUD failed to affirmatively further fair housing. In the remedy, HUD and the Minneapolis Public Housing Authority (MPHA) employed three methods to replace public housing that was demolished: 1.) Redevelopment of public housing with the relocation of displaced families; 2.) A housing mobility program using vouchers, and 3.) Development of scattered-site replacement housing.

Households receiving vouchers typically moved only very short distances, staying in the central cities. Twenty-two percent of the relocated families stayed within a 1-mile radius of the original site and 39 percent stayed within a 2-mile radius. Only 13 percent of the assisted households moved to the suburbs (Goetz 2004). These short distance moves resulted in locations with levels of poverty better than the original site but above the city average. (Goetz 2004).

The redevelopment component of the remedy proved hard to implement. Both in the central city and in the suburbs, non-impacted neighborhoods--those with low-poverty and low concentrations of minorities--**did not cooperate in the process, at least initially**. Strong advocacy by the MPHA combined with a high level of development skills eventually brought about a measure of success in building replacement units (Goetz 2004).

Developing replacement housing proved difficult, both inside Minneapolis and in the suburbs. **Neighborhoods with little or no assisted housing were not welcoming to the replacement housing**. Within the plan, there were to be 80 units developed in non-impacted neighborhoods within the central city. After 4 years, only one development with 8 units had been completed. The City of Minneapolis redoubled its efforts and managed to develop the remaining units over the next two years. Development of units in the suburbs was also slow at first with communities offering only poor quality units and undesirable sites. **After a few years, the suburban replacement units were eventually developed**. This development process was successful because of strong leadership by the Minneapolis Housing Authority with good press support and **the cooperative efforts of housing advocates**. (Goetz 2004).

*Lessons from the Hollman Case in the Twin Cities:*

- Demolition of public housing can take place quickly; development of replacement housing takes a much longer time.
- Opposition to assisted housing can be overcome by strong advocacy and skilled leadership.



*Desegregation Case: The Thompson case in Baltimore*

The circumstances in the Thompson case were similar to those in the Hollman case. In this case, **the court's decision placed a strong emphasis on the need for regional solutions** to the problems of racial segregation and social isolation in Baltimore and its surrounding suburbs. The court recognized the limited capacity of city officials to implement regional solutions and was critical of HUD because it had failed to do so while possessing the influence to carry out such a regional plan. The court found that HUD had a duty to affirmatively further fair housing, not just an act in a non-discriminatory manner (*Poverty & Race Research Action Council 2005*).

The settlement filed in the U.S. District Court of Maryland provides, in part, that **public housing families were to be offered vouchers with the provision that the households relocate away from high-poverty neighborhoods and into neighborhoods with low levels of poverty and better educational and economic opportunities throughout the Baltimore region.** Each family that chooses to participate in this Baltimore Housing Mobility Program receives a Housing Choice Voucher, housing and credit counseling, and other supportive services to facilitate the transition to a new neighborhood and new schools (National Low Income Coalition. 2012).

*Lessons from the Thompson Case in Baltimore:*

- Local officials cannot implement regional strategies without help.
- Vouchers are a good relocation resource because of the capacity to place households in existing rental housing.

*The HOPE VI Program*

The HOPE VI program was initiated in 1993. This program offered funding on a competitive basis by calling for the housing authorities to prepare plans to redevelop their most distressed public housing projects. To win funding, the plans were expected to demolish some or all of the public housing units and relocate the affected households with Housing Choice Vouchers. **The projects were then to be replaced with mixed-income properties that would enhance the surrounding neighborhood.** The program emphasizes the provision of supportive services to the displaced households and to the neighborhood beyond just the development of new projects.

These supportive services are to be designed to improve the quality of life in the neighborhood. A major study by the Urban Institute and the Brookings Institution (Popkin et al 2004) summarizes the program well:

“A central premise of HOPE VI—and of the broader public housing transformation effort that began in the 1990s—was that the overconcentration of profoundly poor, nonworking households was a major contributor to the high levels of social problems in distressed public housing. Thus, to improve the lives of public housing residents, policymakers placed increasing priority on the need to deconcentrate poverty, through two complimentary strategies: (1) helping them relocate to better neighborhoods and (2) creating healthier, mixed-income communities in place of the distressed public housing developments.”

Castells (2010) looked at Baltimore’s three HOPE VI projects in order to determine the impacts that the redeveloped project had upon the property values within the neighborhood where the redevelopment occurred. Only one of the projects showed convincing evidence of any positive spillover effects on surrounding properties. This project was the one in the least distressed neighborhood of the three. This raises questions on the wisdom of investing heavily in the redevelopment of assisted housing projects in highly distressed areas. The reinvestment may not be capable of leveraging significant gains in the receiving neighborhoods.

Zielenbach and Voith (2010) also look at the effects that HOPE VI projects have upon their surrounding neighborhoods. These authors examine two projects in Boston and two in Washington, D.C. They find that, for the most part, the projects have had positive effects upon the economic conditions of their surrounding neighborhoods. They find, however, that the impacts were greater where other development pressures exist. Thus, the gain in property values and other economic conditions were due to strong demand in the larger marketplace. In the absence of this development pressure, the positive effects of HOPE VI may be less pronounced or even nonexistent.

Following on the findings from the MTO program, the impact of crime has been given more attention by researchers. The concern was raised that relocation of public housing households to high-opportunity neighborhoods would bring crime into the receiving neighborhood (Rosin 2008). Popkin et al (2012) looked at HOPE VI and similar public housing transformations in Chicago and Atlanta. Chicago is in the midst of implementing a plan to transform its public

housing, and Atlanta is in the process of demolishing its entire stock of its public housing. **These authors find that crime drops substantially in the redeveloped neighborhoods. They also find that most neighborhoods that absorb the relocated households with vouchers are able to do so with no adverse effects. Some of the neighborhoods that are receiving households do experience increases in crime, though the increases are much less that popular accounts imply.**

The problems are greatest for neighborhoods that receive large numbers of assisted households. The implication is that relocation must be thoughtful and place limits on the number of assisted households who move to any single neighborhood (Popkin et al 2012)

One of the unique features of the HOPE VI program is that it explicitly requires that a substantial proportion of funds be earmarked for resident supportive services. There is still relatively little evidence about the efficacy of combining supportive services with extensive revitalization. An issue often cited by several researchers is the loss of social ties and support systems when households are relocated to difference neighborhoods (Goetz 2004). Many residents of troubled public housing projects had developed elaborate coping strategies that helped them to deal with the stresses of life. Movement away from a public housing project may require strong supportive services to help the households deal with the problems of new housing in a new neighborhood (Popkin et al 2010).

#### *Lessons from HOPE VI:*

- *The promised economic impacts from of redeveloping public housing are often oversold. **Positive and significant gains are realized only where there is very strong demand for housing in the neighborhoods affected.***
- Neighborhoods selected to receive relocated households must be insulated from the generation of new concentrations of poor, assisted households.
- Households relocated out of public housing will need supportive services to assist them in their new locations.

#### *New Orleans and Katrina*

New Orleans provides special instruction for Galveston. Hurricane Katrina and its ensuing flood destroyed a great deal of housing including a large amount of public housing. Katrina was not

an equal opportunity destroyer. Analysis of FEMA storm damage data shows that the storm's impact was disproportionately borne by the region's African American community, by people who rented their homes, and by the poor and unemployed (Logan 2006). This is not surprising given that the poor and minorities, and many of the public housing units serving them, are often relegated to locations that are most flood prone.

The Housing Authority of New Orleans has struggled with its redevelopment efforts. When Hurricane Katrina hit New Orleans, more than 5,000 families lived in the city's public housing units. After years of effort, only a third of these families are back in public housing. Many have found homes elsewhere (Fessler 2010). The immediate decision of HUD following the storm was that the government would demolish the flood-damaged public housing and replace it with mixed-income developments (Fessler 2010).

In its efforts to design a redevelopment strategy, New Orleans was guided by the available HUD program, Choice Neighborhoods, as the HOPE VI program has come to be called. The Housing Authority of New Orleans planned for a multi-stage process that would redevelop the existing public housing projects into lower density, mixed-income developments (Housing Authority of New Orleans 2011). Soon the Housing Authority of New Orleans will complete the demolition of the last of the New Deal-era public housing projects still standing in New Orleans (Burdeau 2012).

Its efforts have generated both successes and shortcomings.

Among the shortcomings, the Housing Authority of New Orleans did not prepare plans to replace all of its public housing. The total number of units available to the poor renters will be about 37 percent of the pre-storm inventory of units (PolicyLink 2007). This means that households who lived in public housing must relocate elsewhere in New Orleans and beyond. However, many households have returned to the neighborhood they left with the storm. While many households feel a deep connection with the neighborhood, others indicated that they returned because they lacked choices. They indicated that they did not have anyplace else to go (Cohen 2012). Choices may be restricted for the poor, but the non-poor have choices. The plans to build mixed-income housing invariably means moving non-poor households into

neighborhoods previously dominated by the poor and moving non-minority households into neighborhoods previously dominated by minorities. This process, often called “gentrification,” has been criticized as a new form of segregation (Burdeau 2012).

Among the successes, the Housing Authority of New Orleans completed the development of its award winning Columbia Parc development. The housing authority used the redevelopment of Atlanta’s public housing as a model. The Columbia Parc project was completed in 2010 in the Bayou District. This 466 unit project contains approximately equal shares of units of public housing, LIHTC units and market-rate units. It has successfully transformed the community with a mix of housing types, amenities, schools, a health clinic, retail space and a recreation center (Serlin 2011). But these 466 units replace 1,400 public housing units of which only 900 were occupied at the time of Katrina. This means not only a net loss of total units but a net loss of affordable units.

Critics of the Housing Authority of New Orleans have called for replacement housing on a one-for-one basis, abandoning the notion of mixed-income redevelopment (Seicshnaydre 2007).

Such an approach may add to the stock of assisted housing, but it would only rebuild the problematic housing projects of the past which proved to be harmful to the affected households. Similarly, critics argue for redevelopment of public housing units as the solution to a shortage of units affordable to the poor (Seicshnaydre 2007). Building affordable units is not the only solution. Vouchers are less expensive and adding units to an already soft market exacerbates the problems of a housing surplus rather than taking advantage of the surplus.

*Lessons from New Orleans post-Katrina:*

- Mixed-income developments continue to be the trend for redevelopment of public housing projects.
- Successful mixed-income projects can be produced.
- Mixed-income redevelopment usually means fewer public housing units are developed than existed previously and that middle-income households are sought after to occupy the newly developed housing.

## Conclusions

There is no simple solution to the challenges of designing regional remedies to affordable housing problems. There have been many successes and many failures as cities across the nation slowly retire their public housing projects and replace them with regional approaches to the problems of affordable housing. Even as we learn about what makes for successful plans, there can be no one solution because competing interests are seeking different, and often conflicting, solutions.

One overall trend is clear. **The nation is moving toward regional solutions that seek to disperse the poor and break up concentrations of poverty. Concentrating poverty in public housing does not work for non-elderly, able-bodied families. It is not good for the families, the developments or the surrounding neighborhood.**

Dispersal plans can work. Moving households to low-poverty neighborhood is possible and can be successful using either vouchers or scattered-site developments. But just moving households to neighborhoods that have low levels of poverty is not enough. The receiving neighborhoods must offer opportunities for successful education and gainful employment along with good housing in an economically and racially diverse setting. Housing counseling and other supportive services are needed to make these dispersal strategies successful over the long term.

It is necessary to recognize that racial integration is a very slow moving process. Most neighborhoods remain segregated. Over a 20-year period there is a long-term trend toward greater racial integration with the pathway to that integration being movement of racial and ethnic minorities into tracts that were previously populated only by non-Hispanic whites (Ellen, Horn and O'Regan 2012). Any dispersal plan should expect political resistance by receiving neighborhood and communities. This can be overcome with effective administration.

Redevelopment of mixed-income housing on the sites of public housing projects can be successful, but it requires good design, strong overall demand for housing, and a marketable mix of units by income level.

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## **The Viability of Mixed-Income Housing in Galveston, Texas**

Kirk McClure, Ph.D.  
Professor  
Department of Urban Planning  
University of Kansas  
1465 Jayhawk Boulevard, 317 Marvin Hall  
Lawrence, Kansas 66045-7626

785.864.3888  
[mclure@ku.edu](mailto:mclure@ku.edu)

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## The Viability of Mixed-Income Housing in Galveston, Texas

### Task

*Using comparative sites, analyze viability of maintaining income diversity in the ratio of 49 percent market rate and 51 percent public housing units in mixed-income public housing developments in City of Galveston to affirmatively further fair housing as required by the Fair Housing Act, as amended, and if the market rate units are not occupied, whether that violates the Fair Housing Act, as amended.*

### Abstract and conclusions

*Research on the viability of mixed-income housing suggests that it should have a critical mass of market rate units with only a small share of low-income units. Research also suggests that mixed-income housing, to be viable, needs to be located in low-poverty neighborhoods. Neither condition is met by the developments proposed for Galveston, suggesting that these developments will not be able to remain viable. To affirmatively further fair housing, the plan should seek to disperse the units to locations that provide housing in economically, racially and ethnically integrated neighborhoods.*

### Background

The City of Galveston is considering plans to redevelop public housing projects destroyed by Hurricane Ike. The redevelopment plans call for projects that would be managed so that 51 percent of the units would be public housing units and 49 percent would be market rate units. The public housing units would be occupied by households whose income would qualify them for assistance through the public housing program. The households would have income that is below poverty or approximately 30 percent of the area median family income. The market rate units would be occupied by households without any restrictions upon their income.

**The Research Question: What is the viability of mixed-income housing that is 51 percent public housing and 49 percent market rate housing if developed in targeted tracts of Galveston, Texas?**

The U.S. Department of Housing and Urban Development (HUD) favors mixed-income housing, where possible, as the type of development that is to replace public housing projects. Public housing concentrates poverty by restricting occupancy to only households with income below 30 percent of the metropolitan area's median family income. This threshold is effectively the poverty line. It is the policy of HUD to deconcentrate poverty, where possible, and disperse the poor into neighborhoods offering opportunities for safe living in neighborhoods with good

schools and gainful employment (HUD 2013). As public housing projects are retired from service and their residents relocated, the HUD sponsored Choice Neighborhoods program calls for redevelopment of the sites as mixed-income housing.

To implement this concept, it is necessary to define mixed-income housing and to determine what factors influence the viability of this type of development. To do this, HUD sponsored research on mixed-income housing which was presented as a symposium through HUD's journal, *Cityscape*. The researchers addressed both issues.

### **What characteristics of successful mixed-income housing?**

#### *Defining Mixed-Income Housing*

There is no one fixed definition of what constitutes mixed-income housing (Schwartz and Tajbakhsh 1997). Mixed-income housing can be thought of as mixing incomes at the neighborhood level or at the level of the development, and the housing can be either for owners or renters. For purposes of this report, the focus is on mixed-income rental developments.

#### *Mix of Low-, Moderate- and Upper-Income Units*

When rental developments are mixed-income, it is customary for the total units to be allocated into various categories according to the incomes of the tenants served. HUD defines households into several income categories based upon percentages of the metropolitan Area's Median Family Income (AMI). These include:

- Extremely low-Income (ELI)                      Income up to 30 percent of AMI
- Very Low-Income (VLI)                              Income between 30 and 50 percent of AMI
- Low-Income (LI)                                      Income between 50 and 80 percent of AMI
- Upper-Income (UI)                                    Income above 80 percent of AMI

Mixed-income developments may be obligated to market units to two or more of these groups.

From the perspective of marketing these units, the presence of households of extremely low-income (0 to 30 percent of AMI) presents a challenge. Brophy and Smith (1997) demonstrate that, for a mixed-income development to be marketable, the share of units allocated to any category of low-income households should be small. They indicate that there must be a “critical mass” of market-rate units. There is no consensus on what is the maximum percentage that should be allocated to low-income households, but the figure of 20 percent is commonly mentioned (Khadduri and Martin 1997).

#### *Excellence in Design*

Brophy and Smith (1997) also indicate that the project must be of excellent design. The units must be attractive and there must be no physical distinction between the units allocated to low-income households and those allocated to households consuming market rate units.

#### *Excellence in Management*

Brophy and Smith (1997) indicate that any mixed-income housing development must be managed well. Unfortunately our knowledge of the management issues is incomplete because few successful examples of mixed-income housing exist. Brophy and Smith state:

“Much of the for-profit development industry views mixed-income housing as a higher risk than either fully conventional market-rate housing or totally subsidized developments. There is also a sense that mixed-income housing is too complicated to manage, given the varying income communities, their needs, and the potential conflicts. Hence the number of planned, mixed-income developments in the United States is quite limited.” (Brophy and Smith 1997, p. 4).

The authors indicate that the greatest challenge to income integration is found in the management’s capacity to set behavioral norms. The upper-income tenants have choice because of their higher incomes. They can easily move to alternative housing in the marketplace if the mixed-income development does not provide attractive housing and high quality service. If the higher income households are not happy with the behavior of other residents within the development, they will leave, making it hard to maintain the high level of occupancy necessary for the development to be financially viable.

*Excellence in Location*

Khadduri and Martin (1997) address the markets within which mixed-income housing is viable.

“We conclude that mixed-income housing usually is found in low-poverty neighborhoods. It is feasible in high-poverty neighborhoods only when there are special housing market conditions, such as immigrants who are willing to use assisted housing in poor neighborhoods as a starting point.” (Khadduri and Martin 1997, p. 33)

Again, the households who can afford market-rate units have alternatives. If living in mixed-income housing is viewed as less desirable than housing developments that offer exclusively market-rate units, then the mixed-income housing must offer something special to remain viable. Often this special characteristic is a highly desirable location. The neighborhood is so highly sought after, that upper-income households are attracted to it despite other liabilities such as mixed income occupancy in the development.

Smith (2002) comes to a similar conclusion. He argues that mixed-income housing is not the correct solution for every location. It is an effective tool in some situations and inappropriate in others. It is workable only where the demand for market-rate housing is very strong.

**Application to the Galveston Plan**

The published research on mixed-income housing has significant implications for the proposed developments in Galveston. The adopted plan calls for the Galveston Housing Authority to redevelop two public housing developments on the sites of two public housing developments destroyed by Hurricane Ike.

*Critical Mass of Market-Rate Units*

The proposed mixed-income developments in Galveston call for developments that are 51 percent public housing and 49 percent market rate housing. The research suggests that this mix of units will not generate the critical mass of market rate units necessary to successfully attract upper-income households.

Table 1 **Characteristics of Census Tracts in Galveston County, Texas for Planned Mixed-Income Housing**

	<i>Tract 7246.00</i>	<i>Tract 7243.00</i>	<i>Average of County Tracts</i>
Percent Poverty	61.0	25.7	17.1
Percent Minority	97.6	54.2	45.9
Population 2000	2,507	4,530	4,101
Population 2010	1,852	3,329	4,694
Percent change	-26.13	-26.51	14.46
Rental Vacancy	9.0	14.9	10.4
Owner Vacancy	12.2	13.3	5.0
Housing Stock	962	2,029	2,138
Assisted Units	192	0	75
Percent Assisted 2010	20%	0%	4%

***Mixed-Income Works in Low-Poverty Neighborhoods***

**The neighborhoods where the proposed mixed-income projects would be developed are heavily impoverished.** Generally, 25 to 30 percent poverty is seen as a threshold identifying a high-poverty census tract. Tract 7243, where Magnolia Homes was located, had a poverty rate in 2010 of 26 percent, and tract 7246, where Cedar Terrace was located, had 61 percent. Both tracts have minority concentrations well above the average of tracts across the county.

*Mixed-Income Works in Neighborhoods with Strong Demand for Housing*

The two census tracts where the proposed developments are to be located are, at best, weak housing markets. The populations in both tracts declined by about one-fourth from 2000 to 2010. The typical tract in the county grew by about 14 percent. The housing markets in both tracts are very soft. For a market to be strong enough to attract middle- or upper-income households, it should have low levels of vacancy. Vacancy in the rental market should be below 5 percent and below 2 percent in the owner market. The vacancy rates in the two tracts in question are not the highest on the Island, but both are too high to be considered strong markets.

For a market to be strong enough to attract middle- and upper-income households, the percent of the housing stock that is assisted should be low. A ceiling of 4 percent is a generally accepted figure. With the planned units, Tract 7243 will rise from no assisted to 4 percent, which is at the maximum figure that is acceptable. With the planned units, Tract 7246 will rise from 20 percent to 23 percent.

## Conclusion

To develop mixed-income housing on the sites of the former public housing projects means locating these developments in tracts that are not enjoying strong demand for housing by upper-income households. The census tracts where the developments are planned have high levels of poverty and are not racially or ethnically integrated. The research suggests that these characteristics will make mixed-income housing developments extremely difficult, perhaps even impossible, to successfully market to upper-income households.

The proposed mixed-income developments are expected to be well-designed and well-managed. However, it seems unlikely that good design and high quality management can overcome the soft market conditions and incidence of assisted units in these census tracts.



To affirmatively further fair housing, the plan should seek to disperse the units to locations that provide housing in economically, racially and ethnically integrated neighborhoods. Alternatives exist for households who can consume market-rate housing. Ample rental housing is available elsewhere.

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## **The Impacts of Public Housing Reconstruction on Targeted Census Tracts in the City of Galveston, Texas**

Kirk McClure, Ph.D.  
Professor  
Department of Urban Planning  
University of Kansas  
1465 Jayhawk Boulevard, 317 Marvin Hall  
Lawrence, Kansas 66045-7626

785.864.3888  
[mclure@ku.edu](mailto:mclure@ku.edu)

September, 2013

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## The Impacts of Public Housing Reconstruction on Targeted Census Tracts in the City of Galveston, Texas

### *Abstract and conclusions*

*Outline a model for analyzing economic, including but not limited to municipal expenses, social, and environmental impacts of reconstruction of public housing units in targeted census tracts*

### **Background**

The City of Galveston is planning for the redevelopment to two sites where Hurricane Ike destroyed public housing.

**The Research Question: What will be the economic, social and environmental impacts of reconstruction of public housing units targeted census tracts in Galveston, Texas?**

*Economic Impacts:* The development to two new mixed-income housing developments may generate municipal expenses. The increased rental housing units will create some level of municipal expenses as will any housing units. These units are expected to have minimal incremental impact as these newly developed units will restore units that existed on the site previously. Similarly, there will be only incremental educational expenses. Any new students from the developments would only replace enrollment that was lost due to the hurricane. In addition, families with students in the Galveston school district are given considerable latitude to select schools across the district independent of their address. Because of this fluid enrollment system, the absorption of new students into the school district will be dispersed across the system rather than felt by one or two individual schools.

The potential exists for changes in the property tax base with development of the new mixed-income projects. The published research addressing the impact of assisted housing upon the value of properties in close proximity is large. The results are not in agreement. It appears that the type of subsidy program, the conditions of the housing market, and the quality of the housing developed all influence the impact that the new housing has upon property values of

neighboring properties. The research indicates that assisted housing can have no effect on nearby properties, it can have a negative effect or it can have a positive effect.<sup>1</sup>

It is unclear what impact the proposed development may have. Well-designed and well-managed mixed-income housing can prove to be an asset to a neighborhood. This is especially true if the development replaces a blighted property and eliminates the doubt over how a property will be developed. However, it is also unclear how well the proposed developments will perform in the marketplace. The developments are planned to be structured so that at least one-half will be public housing units. In general, public housing is viewed as a liability within a neighborhood, depressing the values of nearby properties. If the planned developments are perceived as public housing and are unable to attract unsubsidized, market-rate tenants, then the developments may have a negative impact upon property values.

*Recommendation to model economic impact:* The City of Galveston and its school district should monitor the changes in municipal services costs and in the base of taxable properties, adjusted for inflation as they existed before Hurricane Ike, after Hurricane Ike, and after redevelopment of the lost public housing projects.

*Social impacts:* As previously noted, the census tracts where the planned housing developments are to be located already suffer from high levels of poverty. This means that neither tract would be a good candidate for development of public housing that will further concentrate poverty. The two planned developments are to be structured such that they are about one-half public housing. This development plan will concentrate impoverished households in neighborhoods that already have levels of poverty greater than the average in the county and greater than the levels deemed to be too high to receive additional assisted units.

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<sup>1</sup> Freeman, Lance. 2002. "Subsidized Housing and Neighborhood Impacts: A Theoretical Discussion and Review of the Evidence," *Journal of Planning Literature*, Vol. 16, No. 3, pp. 359-378. Pendall, Rolf. "Why Voucher and Certificate Users Live in Distressed Neighborhoods," *Housing Policy Debate*, Vol. 11, Issue 4, 2000, pp. 881-910. Galster, George C., Peter Tatian, and Robin Smith. "The Impact of Neighbors Who Use Section 8 Certificates on Property Values," *Housing Policy Debate*, Vol. 10, Issue 4, 1999, pp. 879-917. Lee, Chang-Moo, Dennis P. Culhane, and Susan M. Wachter. "The Differential Impacts of Federally Assisted Housing Programs on Nearby Property Values: A Philadelphia Case Study," *Housing Policy Debate*, Vol. 10, Issue 1, 1999.

In addition, these planned developments will possibly further the concentration of racial and ethnic minorities. Both neighborhoods have concentrations minorities that are greater than the average found for tracts in the county. Tract 7243 was at 54 percent in 2010, and tract 7246 is 98 percent. Poverty is found disproportionately among members of racial and ethnic minorities. Because of this, it is very possible that the development of two housing projects that will be at least one-half occupied by extremely low-income households who will qualify for public housing will increase the concentration minorities in the two affected tracts. This is a particular problem for tract 7246 with a population that was 98 percent minority in 2010.

The planned developments will also increase the concentration of assisted housing. Tract 7243 had no assisted housing units as of 2010. The planned mixed-income housing would raise the assisted housing as a percentage of all housing to about 4 percent which is deemed to be the maximum that any tracts should contain. Tract 7246 had 20 percent of its units assisted in 2010, well above the recommended ceiling of 4 percent. To add additional, assisted housing units to this tract would only raise the percent of the stock that is assisted to even higher levels. The proposed development would increase the percentage by about 3 percentage points to 23 percent. (See Table 1.)

*Recommendation to model social impact:* The City of Galveston should attempt to affirmatively further fair housing. To perform this function, the City should monitor the level of economic, racial and ethnic segregation that occurs within its jurisdiction and beyond. The City should take steps to reduce concentrations of poverty and minorities. The City should also seek to provide assisted housing in a manner that promotes the economic and racial integration and should not take steps that will exacerbate the problems that already exist.

*Environmental Impacts:* It is beyond the scope of this study to examine all of the environmental impacts of the planned housing developments. It is assumed that the City of Galveston will only allow housing to be developed that meets all normal environmental rules and regulations. This is assumed to be true whether the development is for market rate housing or for assisted housing. Thus, no recommendation is made to monitor these issues.

Table 1. **Housing Stock of Tracts to Receive Mixed-Income Developments  
Galveston, Texas**

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	<i>Tract 7246.00</i>	<i>Tract 7243.00</i>	<i>Average of County Tracts</i>
	<i>Former Cedar Terrace Site 2914 Ball Street</i>	<i>Former Magnolia Homes Site 1601 Strand Street</i>	
Existing Housing Stock	962	2,029	2,138
Assisted Units	192	0	75
Percent Assisted 2010	20%	0%	4%
Planned Units			
Public Housing	62	82	
Market Rate	60	78	
Total	122	160	
Stock with planned	1,084	2,189	
Assisted with planned	254	82	
Percent assisted as planned	23%	4%	

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**Review and Conclusions on Public Housing Reconstruction in Targeted Census  
Tracts in the City of Galveston, Texas**

Kirk McClure, Ph.D.  
Professor  
Department of Urban Planning  
University of Kansas  
1465 Jayhawk Boulevard, 317 Marvin Hall  
Lawrence, Kansas 66045-7626

785.864.3888  
[mclure@ku.edu](mailto:mclure@ku.edu)

September, 2013

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## Review and Conclusions on Public Housing Reconstruction in Targeted Census Tracts in the City of Galveston, Texas

### *Abstract and conclusions*

*The proposed mixed-income housing developments will add public housing units to neighborhoods that already suffer from high concentrations of poverty exacerbating the problems that result from this social condition. These developments will confront a significant challenge in marketing units to middle- and upper-income households. If the developments fail to attract middle- and upper-income tenants, then the developments will further concentrate the poor in individual developments in poor neighborhoods. Increasing, rather than decreasing, economic, racial and ethnic segregation does not affirmatively further fair housing.*

### Background

The City of Galveston is planning for the redevelopment to two sites where Hurricane Ike destroyed public housing. Plans are in place to rebuild mixed-income housing developments on two of the sites where public housing projects were destroyed. The replacement developments are to be structured such that 51 percent of the units will be public housing units and 49 percent will be market rate units. The public housing units will be occupied by households who income is low enough for them to qualify for the public housing program, typically below 30 percent of the area median family income. The market rate units will be rented to households without restrictions on their incomes. In addition, 50 units of scattered site public housing will be developed elsewhere in Galveston.

### Review and Conclusions

*a. Fair Housing Act compliance with the current mixed-income housing projects.*

To affirmatively further fair housing means to take active steps to break down the high concentrations of the poor and minorities found in many urban neighborhoods. **The proposed mixed-income developments are unlikely approaches to affirmatively further fair housing.**

The tenant population in public housing is generally very poor. Because racial and ethnic minorities are over-represented among the poor, the tenant population of public housing is often disproportionately made up of these minorities. Locating poor households in developments where they will be the dominant groups of tenants threatens the viability of the

project as a mixed-income development. These developments will further concentrate the poor and minorities in neighborhoods that are already heavily populated by the poor and minorities. Because of these neighborhood characteristics, **it is unlikely that middle- and upper-income households will be attracted to these developments.** Even if successful in maintaining a mix of 51 percent public housing and 49 percent market rate housing, **the developments will further the concentration of the poor because of the large share of public housing.** **If the developments are unable to maintain a mixed-income tenant population, it is very likely that the non-public housing units will be occupied by low- or very-low income households, exacerbating the concentration of the poor in the receiving neighborhoods.**

*b. The environmental aspects/impacts (storm, flood, industrial, traffic, etc.), and the ability to affirmatively further fair housing for subsidized housing on Galveston Island and regional areas. The City shall provide the specific environmental aspects/impacts to be addressed in the study.*

Analysis of the environment aspects of the development is beyond the scope of this report. It is assumed that the City of Galveston will only permit housing to be developed that meets all environment concerns. This is assumed to be true independent of whether the housing is assisted for low-income tenants or is market rate housing for unassisted tenants.

*c. The educational impacts of current plans to existing required independent school districts both economically and academically.*

Students, especially students drawn from poor families, are educated both formally and informally. Formal education takes place in the school system; informal education takes place through contacts with family, friends and neighbors.

*Formal education:* The Galveston School District has taken steps to provide choice for the families served by the District. The families of grade school students may apply for admission to any grade school in the district. This has the great advantage of allowing families to locate their children in schools that best serve the needs of the individual student independent of the location where the family resides. However, school age children of those impoverished families who will reside in the new public housing planned will add to the population of students in the

district drawn from the poor. Increasing the concentration of poor children does not affirmatively further fair housing.

*Informal education:* Students are better served in neighborhoods that are mixed racially, ethnically and economically. If new public housing is developed in neighborhoods that suffer from high concentrations of the poor and minorities, then students will be denied the informal contacts, learning and increased awareness that could be achieved if they lived in a neighborhood with diversity among its residents.



**Galveston County Apartment Association**  
**P.O Box 3934**  
**Galveston, Texas 77552**  
**Office 409-762-8339 Fax 409-762-0145**  
[GalCtyAptAssn@sbcglobal.net](mailto:GalCtyAptAssn@sbcglobal.net)

September 10, 2013

Texas Department of Housing and Community Affairs  
Via Email c/o [teresa.morales@tdhca.state.tx.us](mailto:teresa.morales@tdhca.state.tx.us)

Re: Galveston Initiative II

To TDHCA;

The Galveston County Apartment Association represents 135 apartment communities consisting of 16,823 dwelling units in Galveston County. Close to six thousand of those units are on Galveston Island, with most within the city limits.

Our Board of Directors and membership stand strongly opposed to the granting of any additional tax credit properties in the City of Galveston.

Relative to cities of similar size, Galveston already has a disproportionate number of tax credit units. Many of these tax credit units are currently vacant. Vacancy in conventional units remains at an average of close to 20% across the city. When the approximately 4,000 vacant single family homes are added to the apartment vacancy rate, it becomes obvious that no new rental housing units are needed.

If the rental housing market indicated a need for additional units, we are certain that private investors would quickly secure the financing to satisfy that need. The population of the City of Galveston has fallen from a pre Hurricane Ike total of 58,000 to just over 47,000 at the present time. The only investors able to secure financing and build in this depressed market may only be those with taxpayer subsidized tax credit projects. Approval of these additional units will only cause further unfair competition in the marketplace due to the proposed units being built on land that is property tax exempt.

In closing, we again ask that these tax credits not be granted.

Sincerely,

Galveston County Apartment Association  
Robert A. Pisaturo, President

Bruce Mundon  
501 13<sup>th</sup>  
Galveston, TX 77550

TDHCA  
Teresa Morales  
Austin, Texas

### Cedar Terrace and Tax Credits

As a resident who lives just a few blocks from the proposed development and as a Section 8 resident, I am asking you to NOT give any tax credits to develop Cedar Terrace. The proposed area of town for this development is a substandard area with high crime and known gangs. I do not imagine any development that has low income housing in this area will be successful unless total disaster is the goal.

Please DO NOT fund this development with tax credits. It will be a scar on the residents who live in the development and cause a long term hopeless environment for the neighborhood.

  
Bruce Mundon


Jan Lynn  
1322 Postoffice  
Galveston, Texas 77550

TDHCA  
Attention: Teresa Morales

“Tax Credits to develop Cedar Terrace”

I am currently on the Section 8 program and live in Galveston and if my income drops anymore or prescription cost were to rise again, I might end up in public housing. I DO NOT want to live in the area of Cedar Terrace. It is a horrible area of town full of drugs and hookers!! I would not feel safe in that area and I do not understand why you want to build anything in that unsafe area. Can you not find another place in Galveston to build? There are plenty of places that are much more attractive and surrounded by excellent neighborhoods that would be more appropriate. If you plan to build something, make sure the area is safe and people who may be forced by circumstances to live in the Public Housing feel safe and not discarded to the worst part of town. If I do end up in Public Housing, I honestly feel like you are discarding me to an unsafe living environment. Just drive a short 3 ½ hours from Austin and come see where you are asking people to live. Then ask yourself, would you want a member of your family to live in this neighborhood?

Please do not give any monies or tax credits to help this development.

  
Jan Lynn

Prexie and Debbie Garcia  
3608 Las Palmas  
Galveston, TX 77554

Teresa Morales  
TDHCA  
Austin, TX

RE: Tax Credits Galveston Development

We would like to express our disappointment in the TDHCA for even considering tax credits for a development in this crime infested part of Galveston. You should **not allow any tax credits** to go toward this development and tell the Galveston Housing Authority to find a more suitable place to develop any mixed income development. This is a terrible way to treat the poor, by placing them in the worst part of town, what type of signal are you sending about their worth, their lives and their value in society. The poorest in our society deserve better than to be cast aside.

Prexie and Debbie Garcia

Richard and Linda Denson  
1019 16<sup>th</sup> Street  
Galveston, TX 77554

Texas Department of Housing and Community Affairs  
Teresa Morales  
507 Sabine Street  
Austin, TX 78701

CC: United States District Court  
Northern District of Texas  
Dallas Division  
Chief Judge: Sidney A. Fitzwater

Re – TDHCA Tax Credits for Cedar Terrace (Galveston Initiative II)

In the ICP v. TDHCA case, the Judge's recommendations on the awarding of tax credits state (p.22 last paragraph) that "At the time of any award of Low Income Tax Credits, the site AND NEIGHBORHOOD of any unit covered by the award MUST CONFORM to the Departments rules regarding unacceptable sites."

The Cedar Terrace site does not meet the Departments rules for an acceptable site because of the following reasons:

The location of the Cedar Terrace development is in a 61% impoverished census track, the poorest census track in the entire county of Galveston.

The site location is within 300 feet of a railroad track.

The site location is within 300 feet of heavy industrial uses (the Port of Galveston is directly across the street from the proposed development.)

The site has a history of significant recurring flooding.

The site has a significant presence of blighted structures (photographs enclosed with this letter.)



The site and surrounding area has a low presence of any employment opportunities.

The site and surrounding area has a known presence of gang activity, prostitution, drug trafficking and other criminal activity.

The Cedar Terrace site is almost a complete checklist of all the unacceptable reasons for tax credits to be awarded for any development. The Galveston Housing Authority could not have chosen a worse site in the entire county. Little opportunity is offered for individuals to escape poverty and this site almost guarantees generational poverty and little chance for upward mobility.

Therefore I request that you deny any tax credits for this development.

Richard and Linda Denson

**More vacant structures that border the proposed site for development on the south and east sides**



**The Proposed Cedar Terrace Development directly across the street from the Port of Galveston**



**The Proposed Cedar Terrace Development survey stakes directly across the street from the Galveston Water Treatment Plant**



**Southwest Survey Stake showing Water Authority Building borders the West side of the Cedar Terrace Development  
Below right: Vacant property that blights the neighborhood**



**More blighted structures border the south and east sides of the proposed development**



# PROCLAMATION

We the Mayor and the City Council, by virtue of the authority vested by the City of Galveston, Texas, do proclaim

August 29 , 2013

As Galveston's celebration of the  
50<sup>th</sup> Anniversary of the March on Washington



WHEREAS, the 1963 March on Washington was the largest Civil Rights demonstration in the history of the United States; and

WHEREAS, on Thursday, August 29, 2013, at 5:30 p.m. organizations and community members from Galveston will pay tribute to the 50th Anniversary of the March on Washington by gathering at the Sealy Pavilion across from Rosenberg Library and adjacent to Ashton Villa at the intersection of 24<sup>th</sup> Street and Sealy Avenue, a site known throughout America as the location of the reading of the Emancipation Proclamation on June 19, 1865; and

WHEREAS, as part of the ongoing effort to involve the community, the gathering will then commemorate one of the landmark events of the Civil Rights Movement by leaving at 5:30 pm and marching to Ave. L Missionary Baptist Church, the oldest African-American Church in Texas, where a Celebration will begin at 6:00 p.m.; and

WHEREAS, community members will be invited to participate and march and speak about civil rights, rebuilding housing, voting rights, access to health care, employment, the history and significance of Dr. King's speech then, now and in the future, as well as struggle, forgiveness, and non-violence; and

WHEREAS, Galveston's civil rights, faith-based and minority community organizations, joined by people of all races and ethnicities and backed by the federal and state government have demanded for five years the rebuilding of all the homes that were destroyed by Hurricane Ike; and

WHEREAS, all members of the Galveston City Council support the Fair Housing Laws of Texas and the United States and the obligation of the City of Galveston to affirmatively further fair housing, and the City Council now supports the rebuilding of mixed income and scattered site housing as set forth in the September 28, 2013 plan submitted to the Texas General Land Office; and

WHEREAS, the work to rebuild Galveston for all our people, regardless of their race, national origin or income is a continuation of the struggle for Freedom and Civil Rights, and that Galveston's commitment to "The Dream" is to rebuild for all; and

WHEREAS, Thursday, August 29, 2013, at 5:30 p.m. is a time for us to gather near Ashton Villa and honor the brave men and women who marched and still march for Civil Rights; and

THEREFORE, BE IT RESOLVED, that the Mayor and City Council for the City of Galveston, Texas, hereby declare Thursday, August 29, 2013 as Galveston's celebration of the 50<sup>th</sup> Anniversary of the March on Washington.

In testimony whereof, witness my hand and the Seal of the City of Galveston, this 29<sup>th</sup> day August, 2013.

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**Lewis Rosen, Mayor**

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**Janelle Williams, City Secretary**

4c

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**NOVEMBER 7, 2013**

Presentation, Discussion, and Possible Action on a request for an Attorney General Opinion regarding eligibility of developments exercising Rental Assistance Demonstration conversion to compete in the At-Risk Set-Aside.

**RECOMMENDED ACTION**

**WHEREAS**, the U.S. Department of Housing and Urban Development (“HUD”) has developed the Rental Assistance Demonstration (“RAD”) program, whereby a public housing authority (“PHA”), with public housing operating subsidy converts to voucher assistance;

**WHEREAS**, certain PHAs have expressed the belief that developments which exercise conversion under RAD should still be eligible to compete under the at-risk set-aside created by Tex. Gov’t Code, §2306.6714;

**WHEREAS**, staff has conferred with high level officials at HUD, who have confirmed that in developing RAD, they endeavored to have RAD retain, to the fullest extent possible, the characteristics of public housing operating assistance; and

**WHEREAS**, staff believes that although this substantive intent may be present there is a legitimate question as to how the language of the Tex. Gov’t Code, §2306.6714 applies to a development exercising RAD conversion;

Now, therefore, it is hereby

**RESOLVED**, that the chair is authorized to submit a request to the Attorney General for a formal opinion as to whether a development exercising RAD conversion is eligible to compete in the at-risk set-aside created under Tex. Gov’t Code §2306.6714.

**BACKGROUND**

A number of public housing authorities (PHAs) have met with staff to express the belief that PHAs exercising Rental Assistance Demonstration (RAD) conversion should be eligible to compete as “at risk” developments under the At-Risk Set-Aside. While staff has confirmed with HUD officials that they intended for RAD to correlate to public housing operating subsidy, staff

has concerns as to whether the language in statute permits this treatment and recommends seeking an attorney general opinion. It is anticipated that if an opinion is requested, guidance should be received in time for awards. A draft request is attached.



The Honorable Greg Abbott  
Attorney General

Dear General Abbott:

The question presented, as more thoroughly described below, is:

**Is it within authority of the Governing Board of the Texas Department of Housing and Community Affairs (the “Department”) to treat a development that, under the Rental Assistance Demonstration (“RAD”) program, converts an operating subsidy under Section 9 of the United States Housing Act of 1937 to rental assistance under Section 8 of that act as an “at risk development” within the meaning of TEX. GOV’T CODE, § 2306.6702(a)(5), eligible to compete in the “at risk” set-aside created under TEX. GOV’T CODE, §2306.6714?**

TEX. GOV’T CODE, Chapter 2306, Subchapter DD establishes the low income housing tax credit (“tax credit”) program as a program to be administered by the Texas Department of Housing and Community Affairs (the “Department”). As provided for by Internal Revenue Code §42, Subchapter DD provides for the Department to develop and adopt a qualified allocation plan for the administration of the tax credit program. Among other things, Subchapter DD provides for the establishment of certain set-asides under which qualified applicants may compete for tax credits. One such set-aside is the “at risk” set aside created under TEX. GOV’T CODE, §2306.6714. “At risk” developments are defined in TEX. GOV’T CODE, §2306.6702(a)(5).

The 83<sup>rd</sup> Texas Legislature enacted HB 1888, amending TEX. GOV’T CODE, §§2306.6702(a)(5) and .6714. A copy of that bill, as enrolled, is attached as Exhibit A hereto.

The U. S. Department of Housing and Urban Development (“HUD”) has created the RAD, a program whereby public housing annual operating subsidy inclusive of operating reserves, capital funds, and replacement housing factor funds under Section 9 of the United States Housing Act of 1937 ( the “Act” ) (42 U.S.C. 1437) converts to a rental subsidy under Section 8 of the Act either as project-based vouchers or as project-based rental assistance. Attached as Exhibit B is HUD’s notice regarding RAD, issued July 2, 2013, revising an earlier notice, issued by HUD on July 26, 2012. Attached as Exhibit C is HUD’s Frequently Asked Questions regarding RAD Rent Levels for Applications Submitted by December 31, 2013, issued October 23, 2013.

Department staff, at the request of a group of officials of certain public housing authorities (“PHAs”) in the state, had a conference call with Patrick Costigan, a high level official at HUD involved in overseeing the development of the RAD program. Mr. Costigan stated that in developing the RAD program HUD had tried to the fullest extent possible to have it align with the operating subsidy principles of Section 9 of the Act, specifically, the post-conversion rental subsidy is limited to the amount provided under the previous public housing annual operating subsidy. Moreover, former public housing tenants will retain most of the same benefits and have the procedural safeguards under Section 6 of the Act in the post-conversion

housing. Accordingly, even though the post- conversion housing will operate under the authority of Section 8, it has many substantive connections to the prior Section 9 housing and annual operating subsidy.

It appears that HUD proceeded with the development of the RAD program in a manner intended to make it align, as closely as possible, with a traditional subsidy funded under Section 9 of the Act. The Department believes that many of the PHAs in Texas will be seeking to convert operating subsidies under the RAD program. Many of these PHAs have conveyed to the Department, to its Board and to staff, the strong belief that PHAs converting operating subsidy to rental subsidy under the RAD program should be treated as eligible to complete in the at risk set-aside. It is possible, however, that other applicants competing in the set-aside would qualify under other aspects of TEX. GOV'T CODE, §§2306.6702(a)(5) and .6714. Accordingly, before the Board takes any action to treat a development that is undergoing RAD conversion as eligible under the at risk set-aside, your opinion is requested as to whether this would be within the Board's authority.

DRAFT

EXHIBIT A

HB 1888

AN ACT

relating to low income housing tax credits awarded to at-risk developments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6702(a)(5), Government Code, is amended to read as follows:

(5) "At-risk development" means:

(A) a development that:

(i) [~~(A)~~] has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under the following federal laws, as applicable:

(a) [~~(i)~~] Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l);

(b) [~~(ii)~~] Section 236, National Housing Act (12 U.S.C. Section 1715z-1);

(c) [~~(iii)~~] Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q);

(d) [~~(iv)~~] Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s);

(e) [~~(v)~~] the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of

1 Housing and Urban Development as specified by 24 C.F.R. Part 886,  
2 Subpart A;

3 (f) [~~(vi)~~] the Section 8 Housing  
4 Assistance Program for the Disposition of HUD-Owned Projects  
5 administered by the United States Department of Housing and Urban  
6 Development as specified by 24 C.F.R. Part 886, Subpart C;

7 (g) [~~(vii)~~] Sections 514, 515, and  
8 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486);  
9 or

10 (h) [~~(viii)~~] Section 42, Internal  
11 Revenue Code of 1986 (26 U.S.C. Section 42); and

12 (ii) [~~(B)~~] is subject to the following  
13 conditions:

14 (a) [~~(i)~~] the stipulation to maintain  
15 affordability in the contract granting the subsidy is nearing  
16 expiration; or

17 (b) [~~(ii)~~] the federally insured  
18 mortgage on the development is eligible for prepayment or is  
19 nearing the end of its term; or

20 (B) a development that proposes to rehabilitate  
21 or reconstruct housing units that:

22 (i) are owned by a public housing authority  
23 and receive assistance under Section 9, United States Housing Act  
24 of 1937 (42 U.S.C. Section 1437g); or

25 (ii) received assistance under Section 9,  
26 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

27 (a) are proposed to be disposed of or

1 demolished by a public housing authority; or  
2 (b) have been disposed of or  
3 demolished by a public housing authority in the two-year period  
4 preceding the application for housing tax credits.

5 SECTION 2. Section 2306.6714, Government Code, is amended  
6 by amending Subsection (a) and adding Subsection (a-1) to read as  
7 follows:

8 (a) The department shall set aside for eligible at-risk  
9 developments not less than 15 percent of the housing tax credits  
10 available for allocation in the calendar year.

11 (a-1) An at-risk development described by Section  
12 2306.6702(a)(5)(B) is eligible for housing tax credits set aside  
13 under Subsection (a) if:

14 (1) a portion of the public housing operating subsidy  
15 received from the department is retained for the development; and

16 (2) a portion of the units of the development are  
17 reserved for public housing as specified in the qualified housing  
18 plan.

19 SECTION 3. The changes in law made by this Act apply only to  
20 an application for low income housing tax credits that is submitted  
21 on or after the effective date of this Act. An application for low  
22 income housing tax credits that is submitted before the effective  
23 date of this Act is governed by the law in effect when the  
24 application was submitted, and the former law is continued in  
25 effect for that purpose.

26 SECTION 4. This Act takes effect September 1, 2013.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1888 was passed by the House on May 2, 2013, by the following vote: Yeas 139, Nays 8, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1888 on May 22, 2013, by the following vote: Yeas 77, Nays 51, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1888 was passed by the Senate, with amendments, on May 20, 2013, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor

EXHIBIT B  
HUD NOTICE





**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Office of Public and Indian Housing  
Office of Housing**

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**Special Attention of:**

Public Housing Agencies  
Public Housing Hub Office Directors  
Public Housing Program Center Directors  
Multifamily HUB Directors  
Multifamily Program Center Directors  
Regional and Field Office Directors  
Regional Administrators  
Performance Based Contract Administrators

**Notice PIH-2012-32 (HA), REV-1**

Issued: July 2, 2013

Expires: This Notice remains in effect until amended, superseded, or rescinded.

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**SUBJECT:** Rental Assistance Demonstration – Final Implementation, Revision 1

**Purpose**

This revised notice (Notice) provides program instructions for the Rental Assistance Demonstration (RAD or Demonstration), including eligibility and selection criteria.

**Background**

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 ([Public Law 112-55](#), approved November 18, 2011), which provided fiscal year 2012 appropriations for HUD (2012 Appropriations Act). RAD has two separate components:

- **First component.** The first component allows projects funded under the public housing and Section 8 Moderate Rehabilitation (Mod Rehab) programs to convert their assistance to long-term, project-based Section 8 rental assistance contracts.<sup>1</sup> Under this component of RAD, public housing agencies (PHAs) and Mod Rehab owners may choose between two forms of Section 8 Housing Assistance Payment (HAP) contracts: project-based vouchers (PBVs) or project-based rental assistance (PBRA). No incremental funds are authorized for this component. PHAs and Mod Rehab owners will convert their assistance at current subsidy levels. The 2012 Appropriations Act authorizes up to 60,000 units to convert assistance under this component, to be selected competitively. Sections I and II of this Notice provide further instructions for PHAs and owners of Mod Rehab projects, respectively.

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<sup>1</sup> Conversions of properties under the Mod Rehab program exclude single room occupancy (SRO) dwellings as authorized by Title IV of the McKinney-Vento Homeless Assistance Act.

- **Second component.** The second component allows owners of projects funded under the Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Mod Rehab programs to convert tenant protection vouchers (TPVs) to PBVs, upon contract expiration or, for owners of Rent Supp and RAP projects, termination, occurring after October 1, 2006, and no later than September 30, 2013. While there is no cap on the number of units that can convert assistance under this component of RAD, and no requirement for competitive selection, actions under this component are subject to the availability of TPVs. Sections II and III of this Notice provide further instructions for owners of Mod Rehab projects and owners of Rent Supp and RAP projects, respectively.

Collectively, projects that convert their form of assistance under the Demonstration are referred to in this Notice as “covered projects.”

On March 8, 2012, HUD issued PIH Notice 2012-18, Rental Assistance Demonstration – Partial Implementation and Request for Comments. While PIH Notice 2012-18 sought public comment on all instructions and criteria, the instructions and criteria applicable to the Section III were effective immediately. PIH Notice 2012-32 (July 26, 2012) incorporated consideration of public comment, including revisions to the Section III instructions and criteria. A copy of HUD’s response to public comments received on PIH Notice 2012-18 may be obtained from the RAD website at: [www.hud.gov/rad](http://www.hud.gov/rad). Because Section III of PIH Notice 2012-18 was effective immediately, any Rent Supp or RAP owner that has submitted a complete RAD conversion request to the MF Hub for review under PIH Notice 2012-18 prior to the date of PIH Notice 2012-32 were subject to PIH Notice 2012-18. All requests that have not yet been submitted are subject to the terms of this final revised Notice.

### **Explanation of Changes**

This revised Notice, PIH 2012-32, REV-1, includes changes in eligibility and selection criteria as well as clarifications of existing instructions. A complete list of the revisions is included in Appendix V of the Notice. For the benefit of the reader, HUD is providing a redline version of this document, available at [www.hud.gov/rad](http://www.hud.gov/rad). Major revisions are summarized below. Where indicated, the provisions will be subject to a 30-day Notice and Comment period.

### **Public Housing**

- Providing RAD awards for projects requiring multi-phased development to facilitate the assembly of financing (see Section 1.9.E). [Subject to 30-day Notice & Comment]
- Allowing a PHA to apply for a Portfolio Award for a set of projects, wherein HUD will reserve RAD conversion authority for all projects contained in the portfolio, provided the PHA submits individual completed RAD Applications for at least 50%

of the projects. The PHA then has 365 days to submit a completed application for each of the remaining projects (see Section 1.9.F, Attachment 1C). [Subject to 30-day Notice & Comment]

- Providing contract rents at FY 2012 rent levels (as posted in the RAD Application) for all applications submitted prior to the end of CY 2013. This provision facilitates conversion of a public housing project, a multi-phase project, or a PHA-defined portfolio of projects by providing assurances to lenders and PHAs about contract rents to be established at the time of conversion (see Section 1.6.B.5; Section 1.7.A.5, Attachment 1C).
- Allowing PHAs to adjust subsidy (and initial contract rents) across multiple projects to facilitate financing. The combined subsidy for these “bundled” projects may not exceed the aggregate funding for all of the projects the PHA is proposing to bundle (see Section 1.6.B.5; Section 1.7.A.5, and Section 1.9.D).
- Allowing Moving to Work (MTW) agencies who are applying for two or more projects to use their MTW block grant flexibility to set initial contract rents, subject to RAD rent caps and continued service requirements (see Section 1.6.B.5, Section 1.7.A.5, and Section 1.9.D).
- Expanding eligibility of HOPE VI projects (see Section 1.11.C.2.c). [Subject to 30-day Notice & Comment]
- Eliminating the caps on awards to PHAs and to Mixed-Finance projects (see Section 1.11.C.2.c).
- Exempting awarded public housing projects from scoring under the Public Housing Assessment System (PHAS) to support redevelopment planning and need for temporary relocation during construction (see Section 1.5.I).
- Allowing PHA’s to use the Choice Neighborhoods Implementation (CNI) Notice of Funding Availability (NOFA) to apply for Joint RAD/CNI Awards (see Section 1.11.C.2.c). [Subject to 30-day Notice & Comment]

### **Mod Rehab**

- Opening the Mod Rehab Ongoing Application Period under the First Component and removing the cap on Mod Rehab Projects applying under the First Component (see Section 2.2.10). [Subject to 30-day Notice & Comment]
- Allowing a Mod Rehab owner to request a Portfolio Award for a grouping of projects, wherein HUD will reserve RAD conversion authority for all projects contained in the grouping, provided the owner submits a completed application for at least 50% of the projects. The owner then has 365 days to submit a completed application for the remaining projects (see Section 2.2.8.C). [Subject to 30-day Notice & Comment]
- Providing RAD awards for projects requiring multi-phased development to facilitate the assembly of financing (see Section 2.2.8.D). [Subject to 30-day Notice & Comment]

### **Notice and Comment**

Unless HUD receives comment that would lead to the reconsideration of any of the indicated changes in eligibility and selection criteria, these changes shall become immediately effective upon the expiration of the 30-day comment period. If HUD receives adverse comment that leads to reconsideration, HUD shall notify the public in a new revision immediately upon the expiration of the comment period. Please submit all comments to [RAD@hud.gov](mailto:RAD@hud.gov).

PHAs and Owners applying to RAD under the new eligibility may submit their applications during the 30-day window. In the event that HUD reconsiders any changes to the eligibility and selection criteria after the 30-day comment period that materially impact an application submitted during the comment period, a PHA or Owner may amend an application previously submitted. However, CHAPs and Portfolio Awards for projects satisfying eligibility and selection criteria subject to notice and comment shall only be issued upon expiration of the comment period.

### **Notice Organization**

The main body of this Notice (Program Instructions) is divided into three sections:

- **Section I:** Provides instructions to PHAs and their partners, who can convert the assistance of public housing projects under the first component of the Demonstration.

- **Section II:** Provides instructions to owners of Mod Rehab projects, who can convert the assistance of these projects under the first or second component of the Demonstration.
- **Section III:** Provides instructions to owners of Rent Supp and RAP projects, who can convert the assistance of these projects under the second component of the Demonstration.

Please refer to the appropriate section for relevant instructions. A table of contents is provided on pages 7-9 of this Notice for reference.

### **Demonstration Goals**

RAD provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through enabling access by PHAs and owners to private debt and equity to address immediate and long-term capital needs. RAD is also designed to test the extent to which residents have increased housing choices after the conversion, and the overall impact on the subject properties.

### **Evaluation**

Each component of RAD will be evaluated separately:

- For the conversion of public housing assistance to long-term, project-based Section 8 with no incremental funding, HUD is required under the RAD statute to assess and publish findings regarding the impact of the conversion on: the preservation and improvement of the former public housing units, the amount of private capital leveraged as a result of such conversion, and the effect of such conversion on residents. (The 2012 Appropriations Act does not require an evaluation of the conversion of Mod Rehab under the first component.) HUD is currently developing an evaluation design.
- For the conversion of TPVs to PBVs, the legislation requires that the Comptroller General of the United States conduct a study of the long-term impact on the ratio of tenant-protection vouchers to project-based vouchers.

### **Further Information**

Please check [www.hud.gov/rad](http://www.hud.gov/rad) for the latest information on RAD or to join the RAD listserv. *All materials referenced in this Notice may be obtained from this RAD website.* Email questions to [RAD@hud.gov](mailto:RAD@hud.gov). Additionally, HUD will develop informational materials to address various program elements that HUD will post on the RAD website.

### **Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act (PRA), HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. OMB approved application and information collection forms will be posted on the RAD website and the Federal Register.

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Sandra B. Henriquez, Assistant Secretary for  
Public and Indian Housing

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Carol J. Galante, Assistant Secretary for  
Housing—Federal Housing Commissioner

# Program Instructions

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## EXHIBIT C

HUD FAQs can be found at [http://www.radresource.net/faq\\_release.cfm](http://www.radresource.net/faq_release.cfm)