OFFICIAL STATEMENT DATED JUNE 12, 2020

<u>NEW ISSUES</u> - BOOK-ENTRY ONLY

RATINGS:
S&P: "AA+"
Moody's: "Aaa"
(See "RATINGS" herein)

Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$174,250,000 Single Family Mortgage Revenue Bonds 2020 Series A (Non-AMT)

$12,395,143 Single Family Mortgage Revenue Refunding Bonds 2020 Series B (Taxable) (Mortgage-Backed Securities Pass-Through Bonds)

Dated Date/Delivery Date:	July 8, 2020
Due:	March 1 and September 1, as shown on the inside cover.
Interest Payment Dates:	Interest accrued on the Series 2020A Bonds will be payable on each March 1 and September 1, commencing September 1, 2020 as described herein. Interest accrued on the Series 2020B Bonds will be payable on the first day of each month, commencing August 1, 2020 as described herein.
Interest Rates:	Payable at the rates as shown on the inside cover.
Redemption:	The Series 2020 Bonds are subject to redemption on the dates and at the redemption prices more fully described herein. See "THE SERIES 2020 BONDS – Redemption Provisions."
Denominations:	The Series 2020A Bonds will be available to purchasers in book-entry form only in $5,000 or any integral multiple thereof as described herein. The Series 2020B Bonds will be available to purchasers in book-entry form only in denominations of $1.00 and any integral multiple thereof as described herein.
Tax Matters:	Bracewell LLP, Bond Counsel, is of the opinion that, subject to certain conditions described herein and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. See "TAX MATTERS RELATING TO THE SERIES 2020A BONDS" herein. Interest on the Series 2020B Bonds is not excludable from gross income for federal tax purposes under existing law. See "TAX MATTERS RELATING TO THE SERIES 2020B BONDS" herein.
Purpose:	The Series 2020A Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates (the "Mortgage Certificates"). The Mortgage Certificates purchased with the proceeds of the Series 2020A Bonds will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("Ginnie Mae") ("Ginnie Mae Certificates" or "GNMA Certificates"). See "APPENDIX B-1 – GNMA AND THE GNMA CERTIFICATES." The Series 2020B Bonds are being issued for the primary purpose of refunding the Department's outstanding Single Family Mortgage Revenue Refunding Bonds, 2013 Series A (Taxable) (the "Refunded Bonds").
Security:	The Series 2020 Bonds, the Prior Bonds (as defined herein), and, unless subordinated, all Bonds subsequently issued under the Trust Indenture are equally and ratably secured by the Trust Estate (as defined herein) held by the Trustee under the Trust Indenture (as defined herein). The Series 2020 Bonds are limited obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof as more fully described herein. Neither the State of Texas (the "State") nor any agency of the State, other than the Department, nor the United States of America or any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or redemption price of or interest on the Series 2020 Bonds. Neither the faith and credit nor the taxing power of the state or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac, and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates, and Fannie Mae certificates, respectively, when due and do not guarantee the payment of the Series 2020 Bonds or any other obligations issued by the Department. See "SECURITY FOR THE BONDS" and "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."
Book-Entry Only System:	The Series 2020 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – DTC and Book-Entry."
Trustee:	The Bank of New York Mellon Trust Company, N.A.
Bond Counsel:	Bracewell LLP
Disclosure Counsel:	McCall, Parkhurst & Horton L.L.P.
Underwriter's Counsel:	Chapman and Cutler LLP
Financial Advisor:	Stifel, Nicolaus & Co., Inc.

RBC Capital Markets

Barclays **Jefferies** **J.P. Morgan**

Morgan Stanley **Piper Sandler & Co.** **Ramirez & Co., Inc.**

MATURITY SCHEDULE

$27,740,000 Series 2020A Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Price	CUSIP
3/1/2021	$ 230,000	0.35%	100.000%	88275FRE1
9/1/2021	1,210,000	0.40	100.000	88275FRF8
3/1/2022	1,225,000	0.55	100.000	88275FRG6
9/1/2022	1,235,000	0.60	100.000	88275FRH4
3/1/2023	1,240,000	0.75	100.000	88275FRJ0
9/1/2023	1,250,000	0.80	100.000	88275FRK7
3/1/2024	1,260,000	0.90	100.000	88275FRL5
9/1/2024	1,270,000	0.95	100.000	88275FRM3
3/1/2025	1,280,000	1.25	100.000	88275FRN1
9/1/2025	1,290,000	1.25	100.000	88275FRP6
3/1/2026	1,290,000	4.00	114.830	88275FRQ4
9/1/2026	1,300,000	4.00	115.644	88275FRR2
3/1/2027	1,315,000	5.00	122.133	88275FRS0
9/1/2027	1,325,000	5.00	123.330	88275FRT8
3/1/2028	1,335,000	5.00	124.216	88275FRU5
9/1/2028	1,340,000	5.00	125.178	88275FRV3
3/1/2029	1,365,000	1.90	100.000	88275FRW1
9/1/2029	1,370,000	1.95	100.000	88275FRX9
3/1/2030	1,380,000	2.00	100.000	88275FRY7
9/1/2030	1,395,000	2.05	100.000	88275FRZ4
3/1/2031	1,410,000	2.10	100.000	88275FSA8
9/1/2031	1,425,000	2.15	100.000	88275FSB6

$12,075,000 2.15% Series 2020A Term Bonds due September 1, 2035 Price 100% CUSIP 88275FSC4
$17,120,000 2.50% Series 2020A Term Bonds due September 1, 2040 Price 100% CUSIP 88275FSD2
$20,005,000 3.00% Series 2020A Term Bonds due September 1, 2045 Price 102.142% CUSIP 88275FSE0
$21,035,000 3.00% Series 2020A Term Bonds due March 1, 2050 Price 101.678% CUSIP 88275FSF7
$76,275,000 3.50% Series 2020A Premium PAC Term Bonds due March 1, 2051 Price 110.895% CUSIP 88275FSG5

(Interest Accrues from Date of Delivery)

$12,395,143 Series 2020B Bonds (Taxable)

$12,395,143 2.00% Series 2020B Bonds Due March 1, 2036, Price 100% CUSIP 88275FSH3

(Interest Accrues from Date of Delivery)

This Official Statement does not constitute, and is not to be used in connection with, an offer to sell or the solicitation of an offer to buy the Series 2020 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth in this Official Statement has been obtained from the Department and other sources which are believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under such document shall, under any circumstances, create any implications that there has been no change in the affairs of the Department or other matters described herein since the date hereof.

Neither the Department nor the Underwriters make any representation as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

The Trustee assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

Many statements contained in this Official Statement, including the appendices and the documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on the Department's beliefs, as well as assumptions made by, and information currently available to, the management and staff of the Department. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this Official Statement.

The Department's projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Department's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Department. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the Department's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH ARE INTENDED TO STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING EFFORTS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2020 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED HEREIN, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The Series 2020 Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Trust Indenture or any other document been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. Any registration or qualification of the Series 2020 Bonds in accordance with applicable provisions of the securities laws or the states in which the Series 2020 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Series 2020 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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TABLE OF CONTENTS

OFFICIAL STATEMENT
Relating to

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

$174,250,000 **Single Family Mortgage** **Revenue Bonds** **2020 Series A (Non-AMT)**	**$12,395,143** **Single Family Mortgage** **Revenue Refunding Bonds** **2020 Series B (Taxable)** **(Mortgage-Backed Securities** **Pass-Through Bonds)**

INTRODUCTION

This Official Statement provides certain information concerning the Texas Department of Housing and Community Affairs (the "Department") in connection with the issuance of its Single Family Mortgage Revenue Bonds, 2020 Series A (the "Series 2020A Bonds") and Single Family Mortgage Revenue Refunding Bonds, 2020 Series B (Taxable) (the "Series 2020B Bonds," together with the Series 2020A Bonds, the "Series 2020 Bonds"). Capitalized terms used but not otherwise defined herein shall have the respective meanings for such terms as set forth in "APPENDIX A – GLOSSARY."

The Department, a public and official agency of the State of Texas (the "State"), was created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, collectively, the "Act") for the purpose of, among other things, financing sanitary, decent and safe housing for individuals and families of low and very low income and families of moderate income. The Department is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs (the "TDCA"), both of which were abolished by the Act and all functions and obligations of which were transferred to the Department pursuant to the Act. Under the Act, the Department may issue bonds, notes, and other obligations to finance or refinance residential housing and multi-family developments located in the State of Texas and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. See "THE DEPARTMENT."

The Series 2020 Bonds are authorized to be issued pursuant to the Act, a resolution adopted by the Governing Board of the Department on April 23, 2020, an Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture, dated as of June 1, 2017 (the "Master Indenture" and, as amended and supplemented from time to time, collectively, the "Trust Indenture") between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), a Sixty-Eighth Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Sixty-Eighth Supplemental Indenture") with respect to the Series 2020A Bonds and a Sixty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Sixty-Ninth Supplemental Indenture," together with the Sixty-Eighth Supplemental Indenture, the "2020 Supplemental Indentures") with respect to the Series 2020B Bonds. The Trust Indenture authorizes the Department to issue bonds to provide funds (i) to acquire or refinance single family mortgage loans or participations therein ("Mortgage Loans") which are made to eligible borrowers, as determined from time to time by the Department, (ii) to purchase mortgage-backed securities (the "Mortgage Certificates") that are backed by Mortgage Loans and guaranteed by the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac"), (iii) to refund Outstanding Bonds issued under the Trust Indenture, and (iv) to pay costs associated therewith. The Department has previously issued multiple series of single family mortgage revenue bonds (the "Prior Bonds") under the Trust Indenture, of which $574,121,617 in aggregate principal amount was Outstanding as of February 29, 2020. The Series 2020 Bonds, the Prior Bonds and, unless subordinated, all bonds subsequently issued pursuant to the Trust Indenture (collectively, the "Bonds" or the "Single Family Mortgage Revenue Bonds") will be equally and ratably secured by the Trust Estate held by the Trustee pursuant to the Trust Indenture. See "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE" and "SECURITY FOR THE BONDS."

In addition to the Single Family Mortgage Revenue Bonds, the Department has previously issued four (4) series of Junior Lien Bonds (the "Junior Lien Bonds"), of which $3,855,000 in aggregate principal amount was outstanding as of February 29, 2020. The Junior Lien Bonds are limited obligations of the Department and are payable solely from revenues (as defined in the Junior Lien Trust Indenture) and funds pledged for the payment thereof on a basis which is junior and subordinate to the Bonds. See "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE."

The Series 2020A Bonds are being issued for the primary purpose of providing funds for the purchase of the Mortgage Certificates guaranteed as to timely payment of principal and interest by Ginnie Mae (the "2020 A Mortgage Certificates") which represent beneficial ownership of pools of Mortgage Loans. See "PLAN OF FINANCE." The Series 2020B Bonds are being issued for the purpose of refunding and redeeming the Department's Single Family Mortgage Revenue Refunding Bonds, 2013 Series A (Taxable) (the "Refunded Bonds"). The Mortgage Certificates originally funded with proceeds of the Refunded Bonds will become 2020 B Transferred Mortgage Certificates. The 2020 B Transferred Mortgage Certificates are Ginnie Mae Certificates. For more detailed data regarding the 2020 B Transferred Mortgage Certificates, see "APPENDIX I – DATA REGARDING THE 2020 B TRANSFERRED MORTGAGE CERTIFICATES."

While the proceeds of the Series 2020A Bonds will be used to acquire Ginnie Mae Certificates, a portion of the Trust Estate is comprised of Fannie Mae Certificates and Freddie Mac Certificates. See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Prior Mortgage Certificates." On June 3, 2019, Fannie Mae and Freddie Mac began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("UMBS"). The UMBS finance the same types of fixed-rate mortgages that back Fannie Mae Certificates and Freddie Mac Certificates and are guaranteed by either Fannie Mae or Freddie Mac depending upon which entity issues the UMBS. The UMBS have characteristics similar to Fannie Mae Certificates and Freddie Mac will offer investors the opportunity to exchange existing Freddie Mac Certificates for "mirror" UMBS backed by the same loans as the existing securities. The term "Mortgage Certificates" includes UMBS. The proceeds of the Series 2020A Bonds will not be used to purchase UMBS.

The Bonds are payable solely from and are secured by a pledge of and lien on the Revenues, Mortgages, Mortgage Loans (including Mortgage Certificates), Investment Securities, moneys held in the Funds (excluding the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account) and other property pledged under the Trust Indenture (collectively, the "Trust Estate"). All payments with respect to principal of and interest on Mortgage Loans (net of servicing fees) and on Mortgage Certificates (net of servicing and guaranty fees) received by the Department and the earnings on investments of Funds and Accounts held pursuant to the Trust Indenture other than the excluded Funds and Accounts constitute Revenues. Bondholders have no rights to or lien on the Swap Agreements. The pledge of and lien on the Trust Estate is subject to discharge if moneys or qualified securities sufficient to provide for the payment of all Outstanding Bonds are deposited and held in trust for such payment. See "SECURITY FOR THE BONDS – Pledge of Trust Indenture," "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE" and "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – The Program and the Mortgage Loans," "– Prior Swap Agreements" and "– Prior Liquidity Facilities."

The Series 2020 Bonds are on a parity in all respects with all outstanding Prior Bonds, and, unless subordinated, any Bonds subsequently issued under the Trust Indenture. Mortgage Loans securing the Bonds must meet certain requirements. For information regarding the Mortgage Loans, see "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – The Program and the Mortgage Loans."

THE SERIES 2020 BONDS ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THE PAYMENT THEREOF AS MORE FULLY DESCRIBED HEREIN. NEITHER THE STATE NOR ANY AGENCY OF THE STATE, OTHER THAN THE DEPARTMENT, NOR THE UNITED STATES OF AMERICA OR ANY AGENCY, DEPARTMENT OR OTHER INSTRUMENTALITY THEREOF, INCLUDING GINNIE MAE, FREDDIE MAC AND FANNIE MAE, IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2020 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR THE UNITED STATES OF AMERICA IS PLEDGED, GIVEN OR LOANED TO SUCH PAYMENT. THE DEPARTMENT HAS NO TAXING POWER. GINNIE MAE, FREDDIE MAC AND FANNIE MAE GUARANTEE ONLY THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE GINNIE MAE CERTIFICATES, FREDDIE MAC CERTIFICATES AND FANNIE MAE CERTIFICATES, RESPECTIVELY, WHEN DUE AND DO NOT GUARANTEE THE PAYMENT OF THE SERIES 2020 BONDS OR ANY OTHER OBLIGATIONS ISSUED BY THE DEPARTMENT.

There follows in this Official Statement a brief description of the plan of finance, the Department and its bond programs, together with summaries of certain terms of the Series 2020 Bonds, the Trust Indenture, and certain provisions of the Act, as well as other matters. All references herein to the Act, the Trust Indenture, and other agreements are qualified in their entirety by reference to each such document, copies of which are available from the Department, and all references to the Series 2020 Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Trust Indenture.

For information concerning the Prior Bonds and the Mortgage Loans and Mortgage Certificates acquired with proceeds of the Prior Bonds, see "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS" and "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES." For information concerning other single family and multi-family programs of the Department, see "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS."

PLAN OF FINANCE

Proceeds of the Series 2020A Bonds will be deposited to the 2020 A Mortgage Loan Account of the Mortgage Loan Fund and used to (a) purchase 2020 A Mortgage Certificates and pay related costs, (b) fund all or a portion of the DPA Loans originated in conjunction with 2020 A Mortgage Loans (see "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – The Program and the Mortgage Loans – Down Payment Assistance"), and (c) pay a portion of the costs of issuance of the Series 2020A Bonds.

Proceeds of the Series 2020B Bonds will be applied to refund and redeem the Refunded Bonds.

SOURCES AND USES OF FUNDS

The sources of funds and the uses thereof in connection with the Series 2020 Bonds are expected to be approximately as set forth below.

	2020 SERIES A*	2020 SERIES B	TOTAL
SOURCES OF FUNDS			
Bond Proceeds	$184,997,155	$12,395,143	$197,392,298
Refunded Bonds Series 2013A			
Revenue Fund	–	$597,843	$597,843
Issuer Contribution(1)	$3,231,689	($91,934)	$3,139,755
TOTAL SOURCES	**$188,228,844**	**$12,901,052**	**$201,129,896**
USES OF FUNDS			
Redemption of Refunded Bonds	–	$12,735,840	$12,735,840
2020 A Mortgage Loan Account(2)	$186,099,000	–	$186,099,000
Underwriter Compensation	$1,219,124	$76,424	$1,295,548
Costs of Issuance	$910,720	$88,788	$999,508
TOTAL USES	**$188,228,844**	**$12,901,052**	**$201,129,896**

(1) An additional amount of up to $4,000,000 of Trust Indenture funds may be used for capitalized interest related to the Series 2020A Bonds.
(2) Includes the purchase of 2020 A Mortgage Certificates and funds attributed to down payment assistance, lender compensation, and servicing fees for second mortgage loans.
* Totals may not add up due to rounding.

THE SERIES 2020 BONDS

General

The Series 2020 Bonds will be dated the date of delivery. The Series 2020 Bonds are issuable only as fully registered bonds, without coupons, and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as the Bond Depository for the Series 2020 Bonds. The Series 2020A Bonds will be available to purchasers in book-entry form only in denominations of $5,000 or any integral multiple thereof, as more fully described herein. The Series 2020B Bonds will be available to purchasers in book-entry form only in denominations of $1.00 and any integral multiple thereof, as more fully described herein. The principal or Redemption Price of, and interest on, the Series 2020 Bonds will be payable by the Trustee to DTC, which will be responsible for making such payments to DTC Participants (hereinafter defined) for subsequent remittance to the owners of beneficial interests in the Series 2020 Bonds or their nominees. See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – DTC and Book-Entry."

The Series 2020 Bonds mature on the dates and in the amounts set forth on the inside cover hereof.

Interest Rate

The Series 2020 Bonds will accrue interest from the date of delivery, until maturity or prior redemption at the respective per annum rates of interest set forth on the inside cover page hereof. Interest accrued on the Series 2020A Bonds will be payable on September 1, 2020, and semiannually on each March 1 and September 1 thereafter until maturity or prior redemption. Interest accrued on the Series 2020B Bonds will be payable on the first day of each month, commencing August 1, 2020 until maturity or prior redemption. Interest on the Series 2020 Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

Redemption Provisions

Series 2020A Bonds

The Series 2020A Bonds are subject to optional redemption, special redemption, and mandatory sinking fund redemption at various times prior to their scheduled maturities at various Redemption Prices as described below. The Department anticipates that substantially all of the Series 2020A Bonds will be redeemed prior to their scheduled maturities as the result of the receipt by the Department of amounts representing Mortgage Loan Principal Payments, from certain excess Revenues, and, in certain circumstances, from Surplus Indenture Revenues.

Special Redemption from Unexpended Proceeds of Series 2020A Bonds

The Series 2020A Bonds are subject to special redemption from unexpended proceeds of the Series 2020A Bonds, at any time, prior to their stated maturities, in whole or in part. The Redemption Price of the Series 2020A Serial Bonds (excluding the Premium Serial Bonds) and the Series 2020A Term Bonds (excluding the Premium PAC Term Bonds and Premium Term Bonds) shall be equal to 100% of the principal amount thereof. The redemption of the Premium PAC Term Bonds shall be at the applicable Redemption Price, as set forth in APPENDIX H – UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM SERIAL BONDS, PREMIUM TERM BONDS AND PREMIUM PAC TERM BONDS, that maintains the original yield to the average life of such Premium PAC Term Bonds; the redemption of the Premium Serial Bonds and the Premium Term Bonds shall be at the applicable Redemption Price, as set forth in APPENDIX H – UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM SERIAL BONDS, PREMIUM TERM BONDS AND PREMIUM PAC TERM BONDS, that maintains the original yield to (i) the maturity date of such Premium Serial Bonds and (ii) the optional redemption date of March 1, 2029 of such Premium Term Bonds, plus, in each case, accrued interest to, but not including, the date of redemption; except that a one-time redemption of the Series 2020A Bonds from unexpended proceeds in an amount less than $500,000 (the "De Minimis Special Redemption") shall be treated as a Special Redemption from Mortgage Loan Principal Payments and Series 2020A Bonds shall be redeemed as described below.

Special Redemption from Unexpended Proceeds shall occur on March 1, 2021, or as soon as practicable after receipt by the Trustee of a certification of the Department that such amounts will not be used to purchase 2020 A Mortgage Certificates, unless the Certificate Purchase Period is extended in accordance with the Trust Indenture. In no event will the redemption occur later than January 1, 2024.

Except for the De Minimis Special Redemption, the Series 2020A Bonds to be redeemed as described in this subcaption shall be selected by the Trustee on a pro rata basis among all maturities unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Statement of Projected Revenues (as defined herein).

Special Redemption from Mortgage Loan Principal Payments

The Series 2020A Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after September 1, 2020, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2020A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from certain amounts relating to Mortgage Loan Principal Payments from the 2020 A Mortgage Certificates transferred to the 2020 A Redemption Subaccount.

In the event of a redemption from Mortgage Loan Principal Payments, the Trustee shall select the particular Series 2020A Bonds to be redeemed as follows:

(a) the Trustee shall redeem the Premium PAC Term Bonds, but only to the extent that the Outstanding principal amount of such Premium PAC Term Bonds following such redemption is not less than the Premium PAC Term Bonds Outstanding Applicable Amount as of such date;

The Premium PAC Term Bonds Outstanding Applicable Amount is as follows:

Date	Premium PAC Term Bonds Outstanding Applicable Amount	Date	Premium PAC Term Bonds Outstanding Applicable Amount
7/8/2020	$ 76,275,000	11/1/2024	$ 48,040,000
8/1/2020	76,275,000	12/1/2024	47,355,000
9/1/2020	76,275,000	1/1/2025	46,675,000
10/1/2020	76,275,000	2/1/2025	45,995,000
11/1/2020	76,275,000	3/1/2025	44,930,000
12/1/2020	76,275,000	4/1/2025	44,130,000
1/1/2021	76,275,000	5/1/2025	43,470,000
2/1/2021	76,220,000	6/1/2025	42,815,000
3/1/2021	76,020,000	7/1/2025	42,165,000
4/1/2021	75,985,000	8/1/2025	41,520,000
5/1/2021	75,910,000	9/1/2025	40,505,000
6/1/2021	75,805,000	10/1/2025	39,735,000
7/1/2021	75,670,000	11/1/2025	39,105,000
8/1/2021	75,505,000	12/1/2025	38,485,000
9/1/2021	74,785,000	1/1/2026	37,865,000
10/1/2021	74,365,000	2/1/2026	37,250,000
11/1/2021	74,120,000	3/1/2026	36,275,000
12/1/2021	73,845,000	4/1/2026	35,540,000
1/1/2022	73,540,000	5/1/2026	34,940,000
2/1/2022	73,210,000	6/1/2026	34,345,000
3/1/2022	72,320,000	7/1/2026	33,755,000
4/1/2022	71,745,000	8/1/2026	33,160,000
5/1/2022	71,330,000	9/1/2026	32,235,000
6/1/2022	70,890,000	10/1/2026	31,515,000
7/1/2022	70,420,000	11/1/2026	30,945,000
8/1/2022	69,925,000	12/1/2026	30,380,000
9/1/2022	68,890,000	1/1/2027	29,810,000
10/1/2022	68,165,000	2/1/2027	29,245,000
11/1/2022	67,595,000	3/1/2027	28,380,000
12/1/2022	67,000,000	4/1/2027	27,675,000
1/1/2023	66,380,000	5/1/2027	27,130,000
2/1/2023	65,730,000	6/1/2027	26,585,000
3/1/2023	64,560,000	7/1/2027	26,045,000
4/1/2023	63,700,000	8/1/2027	25,505,000
5/1/2023	62,985,000	9/1/2027	24,690,000
6/1/2023	62,250,000	10/1/2027	24,105,000
7/1/2023	61,495,000	11/1/2027	23,585,000
8/1/2023	60,730,000	12/1/2027	23,065,000
9/1/2023	59,490,000	1/1/2028	22,545,000
10/1/2023	58,575,000	2/1/2028	22,035,000
11/1/2023	57,830,000	3/1/2028	21,285,000
12/1/2023	57,080,000	4/1/2028	20,810,000
1/1/2024	56,340,000	5/1/2028	20,350,000
2/1/2024	55,605,000	6/1/2028	19,910,000
3/1/2024	54,415,000	7/1/2028	19,480,000
4/1/2024	53,545,000	8/1/2028	19,070,000
5/1/2024	52,825,000	9/1/2028	18,445,000
6/1/2024	52,110,000	10/1/2028	17,870,000
7/1/2024	51,395,000	11/1/2028	17,395,000
8/1/2024	50,690,000	12/1/2028	16,925,000
9/1/2024	49,565,000	1/1/2029	16,455,000
10/1/2024	48,725,000	2/1/2029	15,990,000

Date	Premium PAC Term Bonds Outstanding Applicable Amount	Date	Premium PAC Term Bonds Outstanding Applicable Amount
3/1/2029	$ 15,330,000	5/1/2031	$ 5,190,000
4/1/2029	14,740,000	6/1/2031	4,935,000
5/1/2029	14,290,000	7/1/2031	4,690,000
6/1/2029	13,840,000	8/1/2031	4,450,000
7/1/2029	13,390,000	9/1/2031	4,145,000
8/1/2029	12,940,000	10/1/2031	3,890,000
9/1/2029	12,340,000	11/1/2031	3,645,000
10/1/2029	11,840,000	12/1/2031	3,410,000
11/1/2029	11,430,000	1/1/2032	3,175,000
12/1/2029	11,025,000	2/1/2032	2,945,000
1/1/2030	10,630,000	3/1/2032	2,675,000
2/1/2030	10,245,000	4/1/2032	2,445,000
3/1/2030	9,730,000	5/1/2032	2,235,000
4/1/2030	9,370,000	6/1/2032	2,025,000
5/1/2030	9,015,000	7/1/2032	1,825,000
6/1/2030	8,670,000	8/1/2032	1,625,000
7/1/2030	8,330,000	9/1/2032	1,400,000
8/1/2030	8,000,000	10/1/2032	1,200,000
9/1/2030	7,565,000	11/1/2032	1,015,000
10/1/2030	7,250,000	12/1/2032	830,000
11/1/2030	6,950,000	1/1/2033	655,000
12/1/2030	6,655,000	2/1/2033	480,000
1/1/2031	6,365,000	3/1/2033	300,000
2/1/2031	6,085,000	4/1/2033	120,000
3/1/2031	5,715,000	5/1/2033	0
4/1/2031	5,445,000		

(b) amounts remaining following the redemptions described in clause (a) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Statement of Projected Revenues, (i) first to redeem the Series 2020A Bonds maturing September 1, 2035, and (ii) thereafter, to redeem all other Series 2020A Bonds (other than the Premium PAC Term Bonds and the Premium Serial Bonds), including the Premium Term Bonds, on a proportionate basis until the Outstanding principal amount of all Series 2020A Bonds has been reduced to the Series 2020A Cumulative Applicable Amount as of such date;

The Series 2020A Cumulative Applicable Amount is as follows:

Date	Series 2020A Cumulative Applicable Amount	Date	Series 2020A Cumulative Applicable Amount
7/8/2020	$ 174,250,000	12/1/2021	$ 165,065,000
8/1/2020	174,250,000	1/1/2022	163,780,000
9/1/2020	174,250,000	2/1/2022	162,390,000
10/1/2020	174,250,000	3/1/2022	159,145,000
11/1/2020	174,250,000	4/1/2022	157,405,000
12/1/2020	174,250,000	5/1/2022	155,720,000
1/1/2021	174,250,000	6/1/2022	153,940,000
2/1/2021	174,095,000	7/1/2022	152,050,000
3/1/2021	173,530,000	8/1/2022	150,070,000
4/1/2021	173,275,000	9/1/2022	146,315,000
5/1/2021	172,890,000	10/1/2022	144,090,000
6/1/2021	172,390,000	11/1/2022	141,870,000
7/1/2021	171,770,000	12/1/2022	139,565,000
8/1/2021	171,035,000	1/1/2023	137,185,000
9/1/2021	168,455,000	2/1/2023	134,735,000
10/1/2021	167,305,000	3/1/2023	130,715,000
11/1/2021	166,240,000	4/1/2023	128,125,000

Date	Series 2020A Cumulative Applicable Amount	Date	Series 2020A Cumulative Applicable Amount
5/1/2023	$ 125,515,000	2/1/2028	$ 31,375,000
6/1/2023	122,850,000	3/1/2028	29,290,000
7/1/2023	120,160,000	4/1/2028	28,815,000
8/1/2023	117,475,000	5/1/2028	28,360,000
9/1/2023	113,540,000	6/1/2028	27,915,000
10/1/2023	110,980,000	7/1/2028	27,490,000
11/1/2023	108,475,000	8/1/2028	27,075,000
12/1/2023	106,020,000	9/1/2028	25,115,000
1/1/2024	103,620,000	10/1/2028	24,535,000
2/1/2024	101,270,000	11/1/2028	23,975,000
3/1/2024	97,875,000	12/1/2028	23,425,000
4/1/2024	95,655,000	1/1/2029	22,890,000
5/1/2024	93,485,000	2/1/2029	22,355,000
6/1/2024	91,360,000	3/1/2029	21,515,000
7/1/2024	89,280,000	4/1/2029	21,020,000
8/1/2024	87,245,000	5/1/2029	20,535,000
9/1/2024	84,335,000	6/1/2029	20,065,000
10/1/2024	82,415,000	7/1/2029	19,600,000
11/1/2024	80,535,000	8/1/2029	19,150,000
12/1/2024	78,695,000	9/1/2029	18,410,000
1/1/2025	76,895,000	10/1/2029	17,985,000
2/1/2025	75,125,000	11/1/2029	17,570,000
3/1/2025	72,635,000	12/1/2029	17,165,000
4/1/2025	70,970,000	1/1/2030	16,770,000
5/1/2025	69,345,000	2/1/2030	16,385,000
6/1/2025	67,750,000	3/1/2030	15,735,000
7/1/2025	66,190,000	4/1/2030	15,375,000
8/1/2025	64,670,000	5/1/2030	15,020,000
9/1/2025	62,525,000	6/1/2030	14,675,000
10/1/2025	61,260,000	7/1/2030	14,335,000
11/1/2025	60,030,000	8/1/2030	14,010,000
12/1/2025	58,835,000	9/1/2030	13,430,000
1/1/2026	57,670,000	10/1/2030	13,120,000
2/1/2026	56,545,000	11/1/2030	12,815,000
3/1/2026	53,795,000	12/1/2030	12,520,000
4/1/2026	52,740,000	1/1/2031	12,235,000
5/1/2026	51,715,000	2/1/2031	11,955,000
6/1/2026	50,720,000	3/1/2031	11,445,000
7/1/2026	49,750,000	4/1/2031	11,175,000
8/1/2026	48,810,000	5/1/2031	10,915,000
9/1/2026	46,260,000	6/1/2031	10,665,000
10/1/2026	45,380,000	7/1/2031	10,415,000
11/1/2026	44,530,000	8/1/2031	10,180,000
12/1/2026	43,710,000	9/1/2031	9,730,000
1/1/2027	42,905,000	10/1/2031	9,475,000
2/1/2027	42,130,000	11/1/2031	9,235,000
3/1/2027	39,750,000	12/1/2031	8,995,000
4/1/2027	39,030,000	1/1/2032	8,760,000
5/1/2027	38,330,000	2/1/2032	8,530,000
6/1/2027	37,655,000	3/1/2032	8,260,000
7/1/2027	36,995,000	4/1/2032	8,035,000
8/1/2027	36,355,000	5/1/2032	7,820,000
9/1/2027	34,135,000	6/1/2032	7,610,000
10/1/2027	33,550,000	7/1/2032	7,410,000
11/1/2027	32,980,000	8/1/2032	7,210,000
12/1/2027	32,425,000	9/1/2032	6,985,000
1/1/2028	31,890,000	10/1/2032	6,785,000

Date	Series 2020A Cumulative Applicable Amount	Date	Series 2020A Cumulative Applicable Amount
11/1/2032	$ 6,600,000	5/1/2035	$ 2,635,000
12/1/2032	6,415,000	6/1/2035	2,550,000
1/1/2033	6,240,000	7/1/2035	2,465,000
2/1/2033	6,065,000	8/1/2035	2,385,000
3/1/2033	5,885,000	9/1/2035	2,305,000
4/1/2033	5,710,000	10/1/2035	2,225,000
5/1/2033	5,545,000	11/1/2035	2,160,000
6/1/2033	5,390,000	12/1/2035	2,095,000
7/1/2033	5,235,000	1/1/2036	2,035,000
8/1/2033	5,085,000	2/1/2036	1,970,000
9/1/2033	4,940,000	3/1/2036	1,860,000
10/1/2033	4,785,000	4/1/2036	1,795,000
11/1/2033	4,645,000	5/1/2036	1,735,000
12/1/2033	4,510,000	6/1/2036	1,680,000
1/1/2034	4,380,000	7/1/2036	1,630,000
2/1/2034	4,250,000	8/1/2036	1,575,000
3/1/2034	4,125,000	9/1/2036	1,480,000
4/1/2034	3,990,000	10/1/2036	1,420,000
5/1/2034	3,870,000	11/1/2036	1,375,000
6/1/2034	3,755,000	12/1/2036	1,325,000
7/1/2034	3,640,000	1/1/2037	1,280,000
8/1/2034	3,530,000	2/1/2037	1,235,000
9/1/2034	3,425,000	3/1/2037	1,155,000
10/1/2034	3,305,000	4/1/2037	1,100,000
11/1/2034	3,205,000	5/1/2037	1,060,000
12/1/2034	3,105,000	6/1/2037	1,020,000
1/1/2035	3,005,000	7/1/2037	980,000
2/1/2035	2,915,000	8/1/2037	940,000
3/1/2035	2,820,000	9/1/2037	870,000
4/1/2035	2,720,000	10/1/2037	825,000
		11/1/2037	0

(c) amounts remaining following the redemptions described in clauses (a) and (b) above shall be applied monthly, unless otherwise directed by a Letter of Instructions accompanied by a Statement of Projected Revenues, to redeem all Series 2020A Bonds, excluding the Premium Serial Bonds, but including Premium PAC Term Bonds and Premium Term Bonds, on a proportionate basis after taking into account the amounts applied to redeem the Series 2020A Bonds pursuant to the above-described redemptions.

If any Series 2020A Bonds are redeemed pursuant to "Special Redemption from Unexpended Proceeds" (other than a De Minimis Special Redemption), the Premium PAC Term Bonds Outstanding Applicable Amount and the Series 2020A Cumulative Applicable Amount described for the current and each future monthly period will be reduced on a proportionate basis.

Special Redemption from Excess Revenues

The Series 2020A Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on the first day of any month on or after September 1, 2020, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from excess Revenues (including Surplus Indenture Revenues whether or not derived in connection with the Series 2020A Bonds).

In general, excess Revenues (including Surplus Indenture Revenues) will consist of funds remaining on each Interest Payment Date, in the case of the Series 2020A Bonds, in the 2020 A Revenue Account of the Revenue Fund after taking into account (1) the provision for payment of Debt Service on the Series 2020A Bonds on such Interest Payment Date, (2) the required transfers of amounts to the 2020 A Redemption Subaccount and the 2020 A Principal Subaccount, and (3) the payment of Department Expenses in accordance with the Trust Indenture, and such excess Revenues will be transferred to the 2020 A Redemption Subaccount and used to redeem Series 2020A Bonds unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Statement of Projected Revenues.

In the event of a redemption from excess Revenues, the Trustee shall apply amounts transferred to the 2020 A Redemption Subaccount in accordance with the Trust Indenture to redeem the Outstanding Series 2020A Bonds in the same manner described in "Special Redemption from Mortgage Loan Principal Payments" above, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Statement of Projected Revenues.

Optional Redemption

The Series 2020A Bonds (except for the Premium PAC Term Bonds) are subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on and after March 1, 2029, at the option of the Department after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of such Series 2020A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

The Premium PAC Term Bonds are subject to redemption prior to maturity, in whole or in part at any time and from time to time, on and after March 1, 2029, at the option of the Department after giving notice as provided in the Trust Indenture, at the Redemption Prices set forth below (expressed as a percentage of the principal amount to be redeemed), in each case together with interest accrued thereon to the redemption date:

Redemption Date	Redemption Price
March 1, 2029	103.314%
September 1, 2029	103.023%
March 1, 2030	102.724%
September 1, 2030	102.378%
March 1, 2031	101.997%
September 1, 2031	101.568%
March 1, 2032	101.146%
September 1, 2032	100.700%
March 1, 2033	100.230%
May 1, 2033 and thereafter	100.000%

If the Premium PAC Term Bonds are redeemed on a date other than a redemption date listed above, the Redemption Price, as of such redemption date, will be determined by the Department using straight-line interpolation between the Redemption Prices for the redemption dates listed above immediately preceding and succeeding such redemption date.

Mandatory Sinking Fund Redemption

The Series 2020A Bonds maturing on the respective dates specified below are subject to scheduled mandatory redemption prior to maturity and shall be redeemed, after giving notice as provided in the Trust Indenture, in the aggregate principal amounts and on the dates set forth in the following tables, at a redemption price equal to 100% of the principal amount of Series 2020A Bonds or portions thereof to be redeemed, plus accrued interest if any, to, but not including, the redemption date:

Term Bonds Maturing September 1, 2035

Date	Principal Amount ($)
3/1/2032	$ 1,450,000
9/1/2032	1,470,000
3/1/2033	1,485,000
9/1/2033	1,500,000
3/1/2034	1,515,000
9/1/2034	1,540,000
3/1/2035	1,545,000
9/1/2035*	1,570,000

*Final Maturity

Term Bonds Maturing September 1, 2040

Date	Principal Amount ($)	Date	Principal Amount ($)
3/1/2036	$ 1,600,000	9/1/2038	$ 1,725,000
9/1/2036	1,625,000	3/1/2039	1,755,000
3/1/2037	1,650,000	9/1/2039	1,775,000
9/1/2037	1,670,000	3/1/2040	1,800,000
3/1/2038	1,695,000	9/1/2040*	1,825,000

*Final Maturity

Term Bonds Maturing September 1, 2045

Date	Principal Amount ($)	Date	Principal Amount ($)
3/1/2041	$ 1,865,000	9/1/2043	$ 2,015,000
9/1/2041	1,895,000	3/1/2044	2,050,000
3/1/2042	1,925,000	9/1/2044	2,070,000
9/1/2042	1,955,000	3/1/2045	2,105,000
3/1/2043	1,985,000	9/1/2045*	2,140,000

*Final Maturity

Term Bonds Maturing March 1, 2050

Date	Principal Amount ($)	Date	Principal Amount ($)
3/1/2046	$ 2,185,000	9/1/2048	$ 2,375,000
9/1/2046	2,225,000	3/1/2049	2,410,000
3/1/2047	2,255,000	9/1/2049	2,450,000
9/1/2047	2,295,000	3/1/2050*	2,495,000
3/1/2048	2,345,000		

*Final Maturity

Premium PAC Term Bonds Maturing March 1, 2051

Date	Principal Amount ($)	Date	Principal Amount ($)
9/1/2021	$ 530,000	9/1/2036	$ 1,305,000
3/1/2022	545,000	3/1/2037	1,330,000
9/1/2022	555,000	9/1/2037	1,355,000
3/1/2023	570,000	3/1/2038	1,380,000
9/1/2023	585,000	9/1/2038	1,355,000
3/1/2024	605,000	3/1/2039	1,380,000
9/1/2024	605,000	9/1/2039	1,410,000
3/1/2025	620,000	3/1/2040	1,435,000
9/1/2025	640,000	9/1/2040	1,465,000
3/1/2026	690,000	3/1/2041	1,495,000
9/1/2026	730,000	9/1/2041	1,525,000
3/1/2027	745,000	3/1/2042	1,550,000
9/1/2027	765,000	9/1/2042	1,580,000
3/1/2028	780,000	3/1/2043	1,615,000
9/1/2028	800,000	9/1/2043	1,645,000
3/1/2029	815,000	3/1/2044	1,675,000
9/1/2029	835,000	9/1/2044	1,705,000
3/1/2030	860,000	3/1/2045	1,740,000
9/1/2030	940,000	9/1/2045	1,770,000
3/1/2031	960,000	3/1/2046	1,910,000
9/1/2031	980,000	9/1/2046	1,945,000
3/1/2032	1,000,000	3/1/2047	1,985,000
9/1/2032	1,020,000	9/1/2047	2,020,000
3/1/2033	1,040,000	3/1/2048	2,055,000
9/1/2033	1,060,000	9/1/2048	2,195,000
3/1/2034	1,085,000	3/1/2049	2,235,000
9/1/2034	1,105,000	9/1/2049	2,235,000
3/1/2035	1,130,000	3/1/2050	2,215,000
9/1/2035	1,240,000	9/1/2050	2,355,000
3/1/2036	1,270,000	3/1/2051*	1,305,000

*Final Maturity

The principal amount of the Series 2020A Bonds to be redeemed on each such redemption date pursuant to mandatory sinking fund redemption shall be reduced by the principal amount of any Series 2020A Bonds having the same stated maturity and interest rate, which (A) at least 45 days prior to such mandatory sinking fund redemption date, (1) shall have been acquired by the Department and delivered to the Trustee for cancellation, or (2) shall have been acquired and canceled by the Trustee at the direction of the Department, or (3) shall have been redeemed other than pursuant to mandatory sinking fund redemption, and (B) shall have not been previously credited against a scheduled mandatory sinking fund redemption.

Series 2020B Bonds

Redemption From Mortgage Loan Principal Payments

The Series 2020B Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, on the first day of each month at a Redemption Price equal to 100% of the principal amount of the Series 2020B Bonds or portions thereof to be redeemed plus accrued interest to, but not including, the redemption date from Mortgage Loan Principal Payments on the 2020 B Transferred Mortgage Certificates received through the end of the prior month and transferred to the 2020 B Redemption Subaccount.

NO NOTICE OF REDEMPTION WILL BE GIVEN FOR REDEMPTIONS DESCRIBED IN THIS SUBCAPTION.

Optional Redemption

The Series 2020B Bonds are subject to redemption prior to maturity, in whole or in part, at any time and from time to time on and after March 1, 2029 at the option of the Department, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2020B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

Redemption From Excess Revenues

The Series 2020B Bonds are subject to redemption, in whole or in part, from excess Revenues (including Surplus Indenture Revenues whether or not derived in connection with the Series 2020B Bonds) beginning on and after March 1, 2029, after giving notice as provided in the Trust Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2020B Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

In general, excess Revenues will consist of funds remaining on each Interest Payment Date in the Revenue Fund after taking into account (1) the provision for payment of Debt Service on such Interest Payment Date, (2) the required transfers of amounts for the redemption of the Bonds, (3) the amounts, if any, required to fund the Debt Service Reserve Account on such Interest Payment Date, and (4) the payment of Department Expenses in accordance with the Trust Indenture.

Selection of Series 2020 Bonds to be Redeemed

Except as described under "THE SERIES 2020 BONDS – Redemption Provisions – Series 2020A Bonds – Special Redemption from Mortgage Loan Principal Payments" and "THE SERIES 2020 BONDS – Redemption Provisions – Series 2020A Bonds – Special Redemption from Excess Revenues," the particular Series 2020 Bonds within a maturity to be redeemed in part shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. A portion of any Series 2020 Bond may be redeemed, but only in an Authorized Denomination.

Notice of Redemption

Except as provided below, the Trustee shall give notice, to the extent required, in the name of the Department, of the redemption of Series 2020 Bonds to the holders thereof, which notice shall specify the Series 2020 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2020 Bonds are to be redeemed, the letters and numbers or other distinguishing marks, principal amounts, maturity dates and interest rates of such Series 2020 Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2020 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof, in the case of Series 2020 Bonds to be redeemed in part only, together with interest accrued to but not including the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. If applicable, such notice shall provide that redemption of the Series 2020 Bonds is conditioned upon moneys being available for such purpose on the redemption date.

The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than 30 days prior to the redemption date, nor more than 60 days to the holders of any Series 2020A Bonds or portions thereof which are to be redeemed, at the address shown on the registration books maintained by the Trustee.

NO NOTICE OF REDEMPTION WILL BE GIVEN TO ANY HOLDER OR BENEFICIAL OWNER OF SERIES 2020B BONDS OF THE DATE OR AMOUNT OF MANDATORY REDEMPTIONS FROM MORTGAGE LOAN PRINCIPAL PAYMENTS. Notice of the call for any redemption of the Series 2020B Bonds as described in "THE SERIES 2020 BONDS - Redemption Provisions - Series 2020B Bonds - Optional Redemption" or "- Redemption From Excess Revenues" above, identifying the Series 2020B Bonds or portions thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) (or overnight delivery or facsimile, as to owners of at least $1,000,000 in principal amount of the Bonds) not more than 30 days and not less than 20 days prior to the date fixed for redemption to the registered owner of each Series 2020B Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee.

Payment of Redeemed Bonds

Notice having been given as provided in the Trust Indenture, the Series 2020 Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and upon the occurrence of any subsequent events or satisfaction of any conditions specified in such notice. If, on the redemption date, moneys for the redemption of all the Series 2020 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as specified in the Trust Indenture, then from and after the redemption date interest on the Series 2020 Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If such moneys shall not be available on the redemption date, such Series 2020 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Purchase in Lieu of Redemption

The Trust Indenture permits the purchase of Bonds, including the Series 2020 Bonds, in the open market in lieu of redemption of Bonds. Any such purchase may be at a price (excluding accrued interest to the purchase date but including any brokerage or other charges) no greater than the applicable Redemption Price for such Series 2020 Bonds.

Average Life and Prepayment Speeds

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The SIFMA Prepayment Model represents an assumed monthly rate of prepayment of the then outstanding principal balance of a pool of new mortgage loans. The SIFMA Prepayment Model does not purport to be either an historical description of the prepayment of any pool of mortgage loans or a prediction of the anticipated rate of prepayment of any pool of mortgage loans, including the 2020 A Mortgage Certificates and the 2020 B Transferred Mortgage Certificates. One hundred percent (100%) of the SIFMA Prepayment Model assumes prepayment rates of 0.2 percent per year of the then unpaid principal balance of such mortgage loans in the first month of the life of the mortgage loans and an additional 0.2 percent per year in each month thereafter (for example, 0.4 percent per year in the second month) until the 30th month. Beginning in the 30th month and in each month thereafter during the life of the mortgage loans, 100 percent of the SIFMA Prepayment Model assumes a constant prepayment rate of six percent per year. Multiples will be calculated from this prepayment rate speed e.g., 200 percent of the SIFMA Prepayment Model assumes prepayment rates will be 0.4 percent per year on month one, 0.8 percent per year in month two, reaching 12 percent per year in month 30 and remaining constant at 12 percent per year thereafter. The amounts shown in the tables under "THE SERIES 2020 BONDS—Redemption Provisions—Series 2020A Bonds" above for Premium PAC Term Bonds Outstanding Applicable Amount and for Series 2020A Cumulative Applicable Amount are based on many assumptions, including (i) receipt of prepayments on the 2020 A Mortgage Loans equal to 100 percent of SIFMA's standard prepayment model (as further described below) (the "SIFMA Prepayment Model") in the case of Premium PAC Term Bonds Outstanding Applicable Amount and 400 percent of the SIFMA Prepayment Model in the case of the Series 2020A Cumulative Outstanding Applicable Amount; and (ii) that 100 percent of the moneys on deposit in the 2020 A Mortgage Loan Account attributable to the proceeds of the Series 2020A Bonds will be used to purchase 2020 A Mortgage Certificates.

The following table assumes, among other things, that (i) all amounts in the 2020 A Mortgage Loan Account will be used to purchase 2020 A Mortgage Loans, all proceeds of the Series 2020B Bonds will be used to refund the Refunded Bonds, and the Mortgage Certificates securing the Refunded Bonds will be transferred into the 2020 B Mortgage Loan Account; (ii) 2020 A Mortgage Loans will be purchased on average on November 12, 2020; (iii) 2020 A Mortgage Loans will have an original term of 30 years with 4 points of DPA and have an average interest rate of 3.78% per annum, (v) the remaining weighted average maturity of 2020 B Transferred Mortgage Certificates is 160 months and the weighted average mortgage rate of 2020 B Transferred Mortgage Certificates is 5.294%; (vi) Trustee's fees will be .02% per annum of Series 2020A Bonds outstanding with an annual minimum of $3,500 payable monthly; (vii) 2020 A Mortgage Loans and 2020 B Transferred Mortgage Certificates prepay at the indicated percentage of the SIFMA Prepayment Model; (viii) all 2020 A Mortgage Loans are pooled and assigned to GNMA upon the issuance to the Trustee of GNMA Certificates and payments on such Mortgage Certificates are timely made and used on a timely basis to redeem the Series 2020A Bonds; (ix) the Series 2020A Bonds are not redeemed pursuant to unexpended proceeds redemption; (x) the Series 2020 Bonds, other than the Premium PAC Term Bonds where noted, are not redeemed pursuant to optional redemption; (xi) no amounts allocable to any other series of Bonds are used to cross-call the Series 2020 Bonds and no amounts allocable to the Series 2020A Bonds are used to cross-call any other series of Bonds; (xii) the Investment Securities held in the 2020 A Mortgage Loan Account will pay interest at the rate of 0% per annum and the Investment Securities held in the Revenue Fund will pay interest at the rate of 0% per annum for the first three years and 0.05% per annum thereafter; (xiii) Series 2020 Bonds will be redeemed as described under "THE SERIES 2020 BONDS – Redemption Provisions – Series 2020A Bonds – Special Redemption from Mortgage Loan Principal Payments" for the respective Series 2020A Bonds or "THE SERIES 2020 BONDS – Redemption Provisions – Series 2020B Bonds – Redemption from Mortgage Loan Principal Payments" for the respective Series 2020B Bonds above, assuming Series 2020 Bonds are redeemed monthly and (xiv) Series 2020A Bonds will be redeemed semi-annually as described under "Redemption from Excess Revenues."

Based on the foregoing and other assumptions, some or all of which may not reflect actual experience, the table below indicates the projected weighted average lives of the following Term Bonds.

Projected Weighted Average Life (in Years) [1]

SIFMA Prepayment Model	Term Bonds Due 9/1/2035	Term Bonds Due 9/1/2040	Term Bonds Due 9/1/2045	Term Bonds Due 3/1/2050	Premium PAC Term Bonds Due 3/1/2051 (Optional Call not Exercised)	Premium PAC Term Bonds Due 3/1/2051 (Optional Call Exercised)	Series 2020B Bonds
0%	13.4	18.0	23.0	27.7	18.6	8.1	7.4
50%	13.4	18.0	22.7	25.8	9.2	6.8	6.5
75%	13.4	17.6	21.0	22.5	7.0	6.1	6.1
100%	11.4	16.8	19.1	19.8	5.9	5.5	5.7
125%	5.3	15.9	17.6	18.0	5.9	5.5	5.3
150%	3.0	14.4	15.7	15.9	5.9	5.5	5.0
175%	2.5	12.9	13.8	13.9	5.9	5.5	4.7
200%	2.2	11.6	12.1	12.2	5.9	5.5	4.4
300%	1.7	7.5	7.6	7.6	5.9	5.5	3.5
400%	1.4	4.8	4.8	4.8	5.9	5.5	2.8
500%	1.3	4.7	4.7	4.7	4.4	4.2	2.3

[1] The weighted average life of a bond is determined by (i) multiplying the amount of each principal payment by the number of years from the date of issuance of the bonds to the related principal payment date, (ii) adding the results and (iii) dividing the sum by the total principal paid on the bond.

In addition to the table above, APPENDIX G sets forth a table of additional average life-related data at various prepayment speeds.

The holder of less than all of the Outstanding principal amount of a Term Bond may not achieve the results indicated above. The Department does not undertake to update this table or any other projections contained in this Official Statement based on the Department's actual experience with respect to repayment and prepayment of the Series 2020 Bonds.

The SIFMA Prepayment Benchmark does not purport to be a prediction of the anticipated rate of Prepayments of the Mortgage Loans, and there is no assurance that the prepayments of the Mortgage Loans will conform to any of the assumed prepayment rates. See "BONDHOLDER RISKS" herein for a discussion of certain factors that may affect the rate of Prepayments of the Mortgage Loans. The Department makes no representation as to the percentage of the principal balance of the Mortgage Loans that will be paid as of any date or as to the overall rate of prepayment. Investors may view the Department's website for information regarding the Trust Estate, including information regarding Mortgage Loans and Mortgage Certificates. Investors should be aware of the disclaimers before viewing, particularly the Department's representation that it has no obligation to update its website.

The Mortgage Loans underlying the 2020 B Transferred Mortgage Certificates have experienced the following cumulative prepayment rates (taking into account all principal repayments and prepayments paid through May 30, 2020 Based on June 2020 Factors):

(i) 146% of the SIFMA Prepayment Model since inception,

(ii) 110% of the SIFMA Prepayment Model for the most recent twelve (12) months; and

(iii) 118% of the SIFMA Prepayment Model for the most recent six (6) months.

The information set forth above with respect to the prepayment experience (as a percentage of the SIFMA Prepayment Model) has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Department, the Financial Advisors or the Underwriters.

The achievement of certain results or other expectations contained in this section involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied in this section. The Department does not expect or intend to issue any updates or revisions to this section if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

THE 2020 B TRANSFERRED MORTGAGE CERTIFICATES

Upon delivery of the Series 2020B Bonds, for the purpose of refunding the Refunded Bonds, the 2020 B Transferred Mortgage Certificates will be allocated to the 2020 B Mortgage Loan Account. Mortgage Loan Principal Payments on the 2020 B Transferred Mortgage Certificates will be used to redeem the Series 2020B Bonds as described herein under "THE SERIES 2020 BONDS – Redemption Provisions – Series 2020B Bonds – Redemption from Mortgage Loan Principal Payments." The Trust Indenture does not grant a priority in the 2020 B Mortgage Loan Account to the Series 2020B Bonds over any other Series of Bonds.

Based upon June 2020 factors, the outstanding principal amount of the 2020 B Transferred Mortgage Certificates, as of June 8, 2020, is $12,395,143.86. Substantially all of the 2020 B Transferred Mortgage Certificates were acquired between September 1, 1999 and October 1, 2005. The Mortgage Loans underlying the 2020 B Transferred Mortgage Certificates had original terms of thirty years. The following table reflects summary information with respect to the 2020 B Transferred Mortgage Certificates:

Mortgage Certificates	Outstanding Principal*	Weighted Average Pass-Through Rate*	Weighted Average Mortgage Rate*	Weighted Average Remaining Term (in months)*
GNMA II	$12,395,143.86	4.794%	5.294%	160

* Based upon June 2020 factors.

For detailed data regarding the 2020 B Transferred Mortgage Certificates see " APPENDIX I – DATA REGARDING THE 2020 B TRANSFERRED MORTGAGE CERTIFICATES."

SECURITY FOR THE BONDS

Pledge of Trust Indenture

The Bonds, including the Series 2020 Bonds, are equally and ratably secured by the Trust Indenture for the equal benefit, protection and security of the owners of the Bonds, each of which, regardless of time of issuance or maturity, is to be of equal rank without preference, priority or distinction, except as otherwise provided in the Trust Indenture.

Principal or Redemption Price of and interest on all Bonds are payable solely from and are secured by a pledge of and lien on the Trust Estate, which consists generally of the Revenues, Mortgages, Mortgage

Loans (including Mortgage Certificates), money, and Investment Securities held in the Funds (excluding the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account), and other property pledged under the Trust Indenture and any Supplemental Indenture. Revenues include all payments with respect to the Mortgage Loans (net of servicing, accounting and collection fees) which include Mortgage Certificates (net of servicing and guaranty fees) and the earnings on investments of amounts held under the Trust Indenture and any supplemental indenture. Revenues do not include Swap Agreement Periodic Receipts or Swap Agreement Termination Receipts, payments made in order to obtain or maintain mortgage insurance and fire and other hazard insurance with respect to Mortgage Loans (including Mortgage Certificates), and any payments required to be made with respect to Mortgage Loans (including Mortgage Certificates) for taxes, other governmental charges, and other similar charges customarily required to be escrowed on mortgage loans or commitment fees or other financing charges paid by a Mortgage Lender or the Master Servicer to the Department in connection with a commitment to sell and deliver Mortgage Loans (including Mortgage Certificates) to the Department. Swap Agreement Periodic Receipts will be available to pay Debt Service on the Bonds. Bondholders have no rights to or lien on the Swap Agreements.

The Series 2020 Bonds are limited obligations of the Department and are payable solely from the Revenues and funds pledged for the payment thereof as more fully described herein. Neither the State nor any agency of the State, other than the Department, nor the United States of America nor any agency, department or other instrumentality thereof, including Ginnie Mae, Freddie Mac, and Fannie Mae, is obligated to pay the principal or Redemption Price of, or interest on, the Series 2020 Bonds. Neither the faith and credit nor the taxing power of the State or the United States of America is pledged, given or loaned to such payment. The Department has no taxing power. Ginnie Mae, Freddie Mac and Fannie Mae guarantee only the payment of the principal of and interest on the Ginnie Mae Certificates, Freddie Mac Certificates and Fannie Mae Certificates, respectively, when due and do not guarantee the payment of the Series 2020 Bonds or any other obligations issued by the Department.

Certain Information as to Revenues, Investments, Debt Service and Department Expenses

On the basis of the Statement of Projected Revenues prepared in connection with the issuance of the Series 2020 Bonds, as discussed below, the Department expects that the scheduled payments, together with prepayments received, if any, of the principal of and interest on the Mortgage Loans and the Mortgage Certificates and amounts held under the Trust Indenture and the earnings thereon, will be sufficient to pay the principal or Redemption Price of and interest on the Series 2020 Bonds and all other Outstanding Bonds when due. In arriving at the foregoing conclusions, the Department has taken into account all Prior Bonds but has not considered the issuance of other additional Bonds or the application or investment of the proceeds thereof. Since additional Bonds issued under the Trust Indenture will rank equally and ratably with the Series 2020 Bonds with respect to the security afforded by the Trust Indenture, the availability of money for repayment thereof could be significantly affected by the issuance, application and investment of proceeds of additional Bonds. See "Additional Bonds."

Statement of Projected Revenues

The Department is required to prepare periodically a statement comparing estimates of Revenues with the Debt Service requirements and estimated Department Expenses with respect to Outstanding Bonds (the "Statement of Projected Revenues"). The Statement of Projected Revenues is required to be prepared as a condition to the issuance of Bonds and annually within 180 days after each August 31. A Statement of Projected Revenues is also required to be prepared semiannually at any time that unexpended Bond proceeds remain on deposit in the Mortgage Loan Fund to the extent reasonably necessary to reflect the actual application of amounts therein, the expiration or other termination or alteration of any commitment for the acquisition or refinancing of Mortgage Loans or any revised estimates with respect thereto.

The Department has covenanted that during such time as it is not meeting the Asset Test (as described herein under "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE – Revenue Fund"), the Department may only direct the Trustee (i) to transfer Surplus Indenture Revenues to the Mortgage Loan Fund or the Redemption Account of the Debt Service Fund; (ii) to invest the Surplus Indenture Revenues in Investment Securities; or (iii) if the Department shall have on file with the Trustee a Statement of Projected Revenues, projecting that Revenues to the extent deemed available or to be available to pay Department Expenses and aggregate Debt Service, including Swap Agreement Periodic Payments, will be sufficient to pay Department Expenses and aggregate Debt Service, including Swap Agreement Periodic Payments, when due in the then current and each succeeding Bond Year, and as of the date of such Statement of Projected Revenues the Department Assets are at least equal to one hundred percent (100%) of the aggregate principal amount of Bonds then Outstanding, to use Surplus Indenture Revenues to pay principal, interest and redemption price on Junior Lien Bonds or to establish and maintain reserves or other funds and accounts as provided in the indenture or indentures authorizing such Junior Lien Bonds.

At the end of any Bond Year, if the Department meets the Asset Test, the Department may apply any Surplus Indenture Revenues (in excess of those required to be maintained under the Trust Indenture in order to permit the Department to continue to meet the Asset Test):

(i) to the trustee under the Junior Lien Trust Indenture to be used to originate mortgage loans as described in the Trust Indenture, to reimburse a bond insurer or credit provider for amounts provided under a bond insurance policy or other credit support or to originate junior lien mortgage loans;

(ii) to pay principal, interest and redemption premium on Junior Lien Bonds or to establish and maintain reserves or other funds and accounts as provided in the indenture authorizing Junior Lien Bonds;

(iii) (a) subject to the provisions of the Trust Indenture or any Supplemental Indenture to the redemption of Bonds and in the case of the Series 2020 Bonds only on and after the optional redemption date; (b) to the payment of any Department Expenses; (c) to the establishment of reserves therefor, free and clear of the pledge and lien of the Trust Indenture; or (d) to the purchase of Bonds; and

(iv) any other purpose or payment authorized or required by the Act free and clear of the pledge and lien of the Trust Indenture; provided, however, that no such amounts may be applied in any way which would result in less than ninety percent (90%) of all amounts received by the Department with respect to the Mortgage Loans being used for the following purposes: (v) to pay the principal or Redemption Price of or interest on or purchase or otherwise to service the Bonds; (w) to reimburse the Department for Department Expenses, or to pay, for costs of issuance; (x) to reimburse the Department, or to pay for administrative or other costs or anticipated future losses directly related to the Program; (y) to acquire Mortgage Loans or other loans or mortgages financing residential real property in the State; and (z) to redeem or retire obligations of the Department.

Additional Bonds

Various series of Bonds, including refunding Bonds, may be issued as provided in the Trust Indenture on a parity with the Bonds of all other series, secured by a pledge of and lien on the Trust Estate. As a condition to the issuance of additional Bonds, including refunding Bonds, the Department must deliver various items to the Trustee including an opinion of Bond Counsel to the effect that, among other things, the series of Bonds is legally issued in accordance with the Trust Indenture and the Act. The Department must also deliver a Statement of Projected Revenues which gives effect to the issuance of such additional Bonds, including refunding Bonds, and demonstrates that (i) the estimated Revenues and any other revenues, investment income or moneys reasonably estimated by the Department to be available for the payment of aggregate Debt Service, including Swap Agreement Periodic Payments, for all Outstanding Bonds when due will be sufficient to pay the aggregate Debt Service for all Outstanding Bonds, including Swap Agreement Periodic Payments, and (ii) the remaining balance of the scheduled and estimated Revenues and other revenues, investment income or moneys reasonably estimated by the Department to be available to pay budgeted or estimated Department Expenses allocable by the Department to the Outstanding Bonds, the Trust Indenture and the Department's programs under the Trust Indenture will be sufficient to pay such budgeted or estimated Department Expenses. No additional parity Bonds may be issued unless, upon the issuance of such Bonds, the amounts credited to the Debt Service Reserve Account will be sufficient to maintain its requirements. The Department has reserved the right to adopt one or more additional general bond indentures and to issue other obligations, such as the Junior Lien Bonds, payable from sources other than the Trust Estate and has also reserved the right to issue obligations other than the Bonds, payable from the Trust Estate, including the Revenues, if the pledge of and lien on the Trust Estate and the Revenues securing such obligations is junior to or subordinate to the pledge of and lien on the Trust Estate and the Revenues securing the Bonds.

BONDHOLDER RISKS

COVID-19

The outbreak of a new strain of coronavirus ("COVID-19"), an upper respiratory tract illness first identified in Wuhan, China, has spread to numerous countries across the globe, including the United States. The World Health Organization has characterized COVID-19 as a pandemic. The worldwide outbreak of COVID-19 has caused significant disruptions to the world and United States economies.

As a result of the COVID-19 pandemic, the U.S. government, the State of Texas and Texas local governments have imposed restrictions on travel, public gatherings and large group events, ordered residents to stay at home, promoted work-at-home, and ordered closure of schools, restaurants, bars, and other public venues. The President of the United States has declared a state of emergency and the Governor of the State of Texas has declared a state of disaster as a result of the COVID-19 pandemic.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") to address the crisis created by the COVID-19 pandemic. Direct aid to citizens was included among the relief measures in the CARES Act. Among other things, the CARES Act provides that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60-days commencing March 18, 2020, and (b) until the sooner of the termination of the pandemic or December 31, 2020, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. The CARES Act does not allow fees, penalties or additional interest to be charged as a result of delayed payments.

The CARES Act also directs the Federal Reserve Bank to provide liquidity to the financial system through a new facility to purchase certain new issuances of securities by eligible issuers, including housing finance agencies and other state and local governments. Such injection of liquidity follows recent actions by the Federal Reserve, including the purchase of U.S. Treasury securities and Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities, facilitating the flow of credit to municipalities by expanding its Money Market Mutual Fund Liquidity Facility to include a wider range of securities, including municipal variable rate demand notes (such as variable rate demand obligations of housing finance agencies).

Separately, Ginnie Mae has announced a program to assist Ginnie Mae seller/servicers which experience financial hardships in meeting their obligations to advance funds and/or repurchase loans due to the forbearance provisions of the CARES Act. Ginnie Mae stated it will implement a “pass-through assistance program” through which Ginnie Mae seller/servicers with payment shortfalls may request that Ginnie Mae advance (subject to Ginnie Mae approval) the difference between available funds and the scheduled payments to investors. Ginnie Mae stated that the program would apply initially to seller/services of single family loans and that it anticipated the program subsequently applying to multifamily loans, as well.

On March 29, 2020, President Trump extended the Coronavirus Guidelines for America, calling upon Americans to take actions to slow the spread of COVID-19 in the United States, through April 30, 2020. On March 31, 2020, the Governor of Texas issued additional executive orders that, among other items, extended his prior order closing schools for in-person classes through May 4, 2020. On April 17, 2020, the Governor issued several executive orders to begin the process of lifting certain restrictions related to COVID-19, including authorizing certain retail and healthcare facilities to open under certain guidelines; however, extended the temporary closure of in-person classes for the remainder of the 2019-20 school year.

The pandemic is an ongoing situation. At this time, the Department cannot determine the overall impact the pandemic, including the federal and State responses thereto, will have on its programs, the Trust Estate or the operations of the Department.

Non-Origination of Mortgage Loans

One of the principal factors in originating Mortgage Loans is the availability of funds to make such loans at interest rates and on other terms that prospective borrowers can afford and will find attractive. The Department has determined that there is a shortage of funds in the State to make such loans at interest rates and on terms that a substantial number of potential borrowers within the State can afford. Should mortgage interest rate levels decline, or should one or more alternative governmental programs become available at below market rates, mortgage loans could become available at rates competitive with or lower than the rate specified for the Mortgage Loans, and the total amount of Mortgage Loans anticipated to be originated under the Program may not be so originated.

Non-origination may also be effected by other programs of the Department as described in "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Other Department Programs."

The failure to originate Mortgage Loans, or the inability to deliver Mortgage Certificates to the Trustee in the amounts contemplated by this financing, will result in redemption of the Series 2020A Bonds prior to their maturity. See "THE SERIES 2020 BONDS—Redemption Provisions – Series 2020A Bonds -- Special Redemption from Unexpended Proceeds of Series 2020A Bonds."

Termination of Mortgage Loans and Mortgage Certificates

The maturity and sinking fund redemption installments of the Series 2020 Bonds were determined on the basis of the assumption that there will be no early terminations of the Mortgage Loans or the Mortgage Certificates relating to the Series 2020 Bonds. The Department expects Mortgage Loans and Mortgage Certificates relating to the Series 2020 Bonds will be terminated prior to final maturity as a result of Mortgage Loan Principal Prepayments. All Mortgage Loan Principal Prepayments relating to the Series 2020A Bonds or Series 2020B Bonds will be deposited in the Revenue Fund and transferred to the applicable subaccount of the Redemption Account for use to redeem the applicable series of the Series 2020

Bonds or other Bonds in accordance with the Trust Indenture or used to acquire new Mortgage Loans or participations therein. **Accordingly, the Department anticipates that a significant portion of the Series 2020 Bonds will be redeemed prior to their scheduled maturity.**

Mortgage Loan Principal Prepayments

The Department anticipates that the Trustee will receive Mortgage Loan Principal Prepayments on the 2020 A Mortgage Certificates and the 2020 B Transferred Mortgage Certificates. Mortgage Loan Principal Prepayments are usually the result of the resale of the premises securing a Mortgage Loan or the refinancing of a Mortgage Loan due to changes in mortgage interest rates. Therefore, economic and financial market conditions may have a significant short-term effect on the rate of prepayments. The Department is not aware of any means which would allow it to accurately predict the actual level of prepayments it will receive from the 2020 A Mortgage Certificates and the 2020 B Transferred Mortgage Certificates. Mortgage Loan Principal Prepayments on the Mortgage Certificates will be applied to the prepayment of the respective series of the Series 2020 Bonds at 100% of the principal amount thereof, but without any redemption premium. See "THE SERIES 2020 BONDS—Redemption Provisions—Series 2020A Bonds – Special Redemption from Mortgage Loan Principal Payments" and "– Series 2020B Bonds – Redemption from Mortgage Loan Payments."

Risk of Non-Payment Due to Bank Bond Acceleration

The Department’s ability to pay the debt service on Bonds may be negatively impacted by the inability to remarket variable rate Prior Bonds. As of February 29, 2020, variable rate Prior Bonds comprised approximately 12% of the Department’s bonded debt under the Trust Indenture. As of February 29, 2020, the Department has no unremarketed outstanding Bank Bonds. For purposes of this section, the term "Bank Bonds" means Prior Bonds purchased by the Texas Comptroller of Public Accounts (the "Comptroller") as provider of the Prior Liquidity Facilities (as hereinafter defined). As Bank Bonds, the terms of such Bank Bonds have more onerous interest rates and/or principal repayment schedules.

In connection with all of the Department’s variable rate Prior Bonds, the Department has replaced the original liquidity facilities with liquidity facilities provided by the Comptroller (each, a "Prior Liquidity Facility"). Effective September 1, 2019, the Department extended the termination dates under the Prior Liquidity Facilities to August 31, 2021. There is no assurance that the Department will be able to secure substitute liquidity or further extend the Prior Liquidity Facilities. Failure to do either may have an adverse effect on the ability of the Trust Indenture to generate revenues sufficient to pay principal of and interest on the Series 2020 Bonds.

Swap Basis Risk

In connection with the issuance of certain Prior Bonds, the Department entered into the Prior Swap Agreements. Pursuant to the Prior Swap Agreements, the Department will pay the Prior Swap Providers payments computed at a fixed rate based on notional amounts which correspond to the outstanding principal balances of the Prior Bonds associated with the respective Prior Swap Agreements, and the Prior Swap Providers will pay the Department payments computed based on variable rate indices on the same notional amounts. The variable rate used under each of the Prior Swap Agreements is based on specified percentages of LIBOR, which is intended to approximate the variable interest rate on the Prior Bonds associated with the Prior Swap Agreements. Unlike LIBOR, however, the interest on the Prior Bonds associated with the Prior Swap Agreements, is excludable from gross income for federal income tax purposes; therefore, one of the primary determinants of any changes to the relationship between the variable rate index used under the Prior Swap Agreements and the interest rates on the Bonds associated with the Prior Swap Agreements is expected to include, among other factors, any changes to the top marginal rate of federal income taxation. Payments to the Department under the Prior Swap Agreements may exceed, equal or be less than the Department's interest obligation on the Bonds associated with the Prior Swap Agreements. Regardless of the amount of moneys received under the Prior Swap Agreements, the Department is obligated to make interest payments on variable rate Prior Bonds at rates that are determined by the respective Remarketing Agents. Any mismatch between Prior Bond interest payments associated with the Prior Swap Agreements and the payments due under the Prior Swap Agreements could cause financial losses under the Trust Indenture. See " APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Prior Swap Agreements" and Note 5 of " AUDITED FINANCIAL STATEMENTS OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS REVENUE BOND PROGRAM FOR THE FISCAL YEAR ENDED AUGUST 31, 2019" as incorporated by reference. See "FINANCIAL STATEMENTS."

Swap Termination Risk

Under certain circumstances, including certain events of default with respect to the Department or the Prior Swap Providers, the Prior Swap Agreements may be terminated in whole or in part prior to maturity. Following termination, if any, of the Prior Swap Agreements, under certain market conditions, the Department could owe a termination payment to the respective Prior Swap Providers which could be substantial. Such termination payment will be payable from amounts pledged under the Trust Indenture, subject and subordinate to (i) the payment or provision of arbitrage rebate; (ii) expenses and compensation of the Trustee; (iii) the payment of principal and interest on all Bonds and Junior Lien Bonds, if any, the payment of regularly scheduled payments under the Prior Swap Agreements, and (iv) required replenishment of the Debt Service Reserve Fund, if any. A bond insurer has issued a swap insurance policy insuring the scheduled fixed payments from the Department for the Prior Swap Agreement pertaining to the Department's Single Family Variable Rate Mortgage Revenue Refunding Bonds, 2004 Series B. The Department's obligation to reimburse the bond insurer, if any, and to pay any Prior Swap Provider that is owed a termination payment is subordinate to scheduled payment of principal of and interest on all Bonds and Junior Lien Bonds, if any, the payment of regularly scheduled payments under the Prior Swap Agreements, and any required replenishment of the Debt Service Reserve Fund.

As of February 29, 2020, the Department estimates that the aggregate termination payments that would have been owed by the Department to the Prior Swap Providers were the Prior Swap Agreements terminated as of such date is approximately $5,800,000; however such estimate is by no means incontrovertible as the actual termination payment, were the Prior Swap Agreements to be terminated, would likely be subject to different valuations from the Prior Swap Providers. For more detailed information concerning "fair value" estimations for each Prior Swap Agreement see " APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Prior Swap Agreements" and Note 5 of "AUDITED FINANCIAL STATEMENTS OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS REVENUE BOND PROGRAM FOR THE FISCAL YEAR ENDED AUGUST 31, 2019" as incorporated by reference. See "FINANCIAL STATEMENTS."

Availability of Remedies

The remedies available to the owners of the Series 2020 Bonds upon an Event of Default under the Trust Indenture or other documents described herein are in certain respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy laws, the Trust Indenture and the various Program documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will, therefore, be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally and by general principles of equity which permit the exercise of judicial discretion, and by principles of sovereign immunity.

THE DEPARTMENT

General

The Department, a public and official agency of the State of Texas (the "State") was created pursuant to and in accordance with Chapter 2306, Texas Government Code, as amended from time to time (together with other laws of the State applicable to the Department, the "Act"). The Department is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs (the "TDCA"), both of which were abolished by the Act and their functions and obligations transferred to the Department. One of the purposes of the Department is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State. Pursuant to the Act, the Department may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Department or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Department.

The Department is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the "Sunset Act") and its continued existence is subject to a review process that resulted in passage of legislation in the Seventy-Eighth Legislative Session in 2003 which continued the Department in existence until September 1, 2011. House Bill 3361 extended the existence of the Department until September 2025, at which time it will be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor of the State shall designate an appropriate State agency to continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

In the Act, the State also pledges and agrees with the holders of any bonds issued under the Act that the State will not limit or alter the rights vested in the Department to fulfill the terms of any agreements made with the holders thereof that would in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses incurred in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Governing Board

The Department is governed by a governing board (the "Board") consisting of seven public members, appointed by the Governor, with the advice and consent of the State Senate. Board members hold office for six-year staggered terms. Each member serves until his or her successor is appointed and qualified. Each member is eligible for reappointment. Members serve without compensation but are entitled to reimbursement for actual expenses incurred in performing their duties of office. The Act requires the Governor to make appointments so that the places on the Board are occupied by persons who have a demonstrated interest in issues related to housing and support services and who broadly reflect the geographic, economic, cultural, and social diversity of the State, including ethnic minorities, persons with disabilities, and women.

The Governor of the State designates a member of the Board to serve as the presiding officer (the "Chair") of the Board at the pleasure of the Governor. The Chair presides at all meetings and performs such other duties as may be prescribed from time to time by the Board and by the Act. In addition, the members of the Board elect one of its members as assistant presiding officer (the "Vice Chair") to perform the duties of the Chair when the Chair is not present or is incapable of performing such duties. The Board also elects a Secretary and a Treasurer (which offices may be held by one individual and neither office-holder must be a Board member) to perform the duties prescribed by the Board.

One seat on the Board is currently vacant and two other Board members have resigned. J.B. Goodwin conducted his last meeting as Chair on December 12, 2019 and Asusena Resendiz has resigned resulting in another vacant seat. The remaining members of the Board, their occupations and their terms of office are as follows:

LESLIE BINGHAM, Vice Chair and Board Member. Chief Executive Officer of Valley Baptist Medical Center-Brownsville, Brownsville, Texas. Her term expires January 31, 2019.

PAUL A. BRADEN, Board Member. Partner and Head of Public Finance for the United States at Norton Rose Fulbright, Dallas, Texas. His term expires January 31, 2023.

SHARON THOMASON, Board Member. President of S Arthur Services, Lubbock, Texas. Her term expires January 31, 2021.

LEO VASQUEZ, Board Member. Executive Vice President of Cadeco Industries, Houston, Texas. His term expires January 31, 2023.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Any Board member whose term has expired or who has tendered his or her resignation continues to serve until his or her successor has been appointed.

Administrative Personnel

The Act provides that the Department is to be administered by an Executive Director to be employed by the Board with the approval of the Governor. The Executive Director serves at the pleasure of the Board, but may also be removed by a newly elected Governor who did not approve the Executive Director's appointment by action taken within 90 days after such Governor takes office. The Executive Director is responsible for administering the Department and its personnel. The Executive Director may, within the limitations established by the General Appropriations Act, employ other employees necessary for the discharge of the duties of the Department, subject to the annual budget and the provisions of any resolution authorizing the issuance of the Department's bonds.

Currently, the Department has 293 employees. The following is a biographical summary of certain of the Department's senior staff members who have responsibility with respect to single-family housing matters.

ROBERT WILKINSON, Executive Director. Mr. Wilkinson was hired by the Governing Board to serve as the Executive Director at the Board meeting of July 25, 2019, and he began his tenure on August 15, 2019. Most recently, Mr. Wilkinson served as the Deputy Budget Director to Texas Governor Greg Abbott. Mr. Wilkinson served in the Budget and Policy Division within the Office of the Governor for the first three legislative sessions of Governor Abbott’s administration; 2015, 2017, and 2019. His duties included the development of the Governor's proposed budgets, the analysis and tracking hundreds of filed bills including the General Appropriations Act, the development of policy, and the coordination of governance with executive state agencies. Housing and TDHCA were important elements of Mr. Wilkinson's portfolio of responsibility from 2014 (under former Governor Rick Perry) through 2019. Before 2014, Mr. Wilkinson held other positions within the Office of the Governor and worked in the private sector in various capacities including a stint as a project manager at a large commercial electrical contractor. Mr. Wilkinson received his Bachelor of Arts from the University of Texas at Austin.

MONICA GALUSKI, Director of Bond Finance and Chief Investment Officer. Ms. Galuski joined the Department in 2014. She has 20 years of experience in municipal housing finance in both the public and private sectors. Ms. Galuski oversees the Department's TBA program, single family bond program, multifamily bond program, and homeownership activities. Ms. Galuski received a Bachelor of Science in Financial Management from Arizona State University.

CATHY GUTIERREZ, Director of the Texas Homeownership Division. Cathy began her career at the Texas Department of Housing and Community Affairs in 1992. Her first position was with the Finance and Accounting Division in Loan Administration and progressed through several positions in the Community Affairs, Housing Finance, and HOME Divisions. In 2003 she joined the Texas Homeownership Division. During her 12 year tenure in the Division, Cathy served as the Business Development Officer and Program Manager, assisting in new program structure, marketing, lender and Realtor trainings, business development, lender participation process, and consumer related inquires. In April 2015, Cathy became the Director of the Texas Homeownership Division. She is responsible for the development and administration of the Single Family Homeownership and Mortgage Credit Certificate programs.

JAMES "BEAU" ECCLES, General Counsel. J. Beau Eccles joined the Department in June 2015 as its General Counsel and is responsible for coordination of all internal and external legal counsel for the Department. Before joining the Department, Mr. Eccles served as an Assistant Texas Attorney General for thirteen years, including five years as Deputy Chief, then two years as Chief, of the General Litigation Division. Mr. Eccles is a graduate of the Texas Tech School of Law, and received his B.A. from the University of Texas at Austin.

TAX MATTERS RELATING TO THE SERIES 2020A BONDS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Series 2020A Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Series 2020A Bonds.

Tax Exemption

In the opinion of Bracewell LLP, Bond Counsel, subject to certain conditions set forth in the opinion and under existing law, (i) interest on the Series 2020A Bonds is excludable from gross income for federal income tax purposes and (ii) interest on the Series 2020A Bonds is not a specific preference item subject to the alternative minimum tax. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C.

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Series 2020A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include the various mortgage eligibility, arbitrage, targeted area, recapture, use of proceeds and information reporting requirements discussed more fully below under the caption "Federal Income Tax Requirements." The Department has covenanted in the Trust Indenture that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the procedures, safeguards and covenants of the Master Servicer and the covenants of the Department in the Trust Indenture and the Program Agreements pertaining to those sections of the Code that affect the excludability of the interest on the Series 2020A Bonds from gross income for federal income tax purposes, and in addition, will rely on representations by the Department, the Department's Financial Advisor, the Master Servicer, the Mortgage Lenders and the Underwriters with respect to matters solely within the knowledge of the Department, the Department's Financial Advisor, the Master Servicer, the Mortgage Lenders and the Underwriters, respectively, which representations Bond Counsel has not independently verified. If the Department, a Mortgage Lender, or the Master Servicer fails to comply with such procedures, safeguards and covenants or if such representations should be determined to be inaccurate or incomplete, interest on the Series 2020A Bonds could become includable in gross income from the date of original delivery thereof, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, acquisition, ownership or disposition of the Series 2020A Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to its attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Series 2020A Bonds. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the Department as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Series 2020A Bonds could adversely affect the value and liquidity of the Series 2020A Bonds, regardless of the ultimate outcome of the audit.

Collateral Tax Consequences

Prospective purchasers of the Series 2020A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Series 2020A Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Series 2020A Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Series 2020A Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

The issue price of the Series 2020A Bonds may exceed the stated redemption price payable at maturity of such Series 2020A Bonds. Such Series 2020A Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount

The issue price of all or a portion of the Series 2020A Bonds may be less than the stated redemption price payable at maturity of such Series 2020A Bonds (the "OID Bonds"). In such case, the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Series 2020A Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Series 2020A Bonds under the captions "TAX MATTERS RELATING TO THE SERIES 2020A BONDS – Tax Exemption,"– Collateral Tax Consequences" and "– Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Series 2020A Bonds for contemporaneous sale to the public and (ii) all of the Series 2020As Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Official Statement. Neither the Department nor Bond Counsel has made any investigation or offers any comfort that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2020A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Series 2020A Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Series 2020A Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, pending or future legislation.

Federal Income Tax Requirements

General

Sections 103 and 143 of the Code and applicable regulations thereunder provide that the interest on bonds the proceeds of which are used directly or indirectly to finance owner-occupied residences, will not be excludable from gross income for federal income tax purposes unless such bonds are part of a "qualified mortgage issue." A "qualified mortgage issue" must meet the following requirements: (i) all proceeds of the issue (exclusive of issuance costs and a reasonably required reserve fund) are to be used to finance owner-occupied residences, (ii) the mortgages financed by the issue satisfy certain mortgage eligibility requirements, as set forth more fully below under the subheading "Mortgage Eligibility Requirements," (iii) certain arbitrage limitations described more fully below under the subheading "Requirements Related to Arbitrage" must be satisfied, (iv) a specified portion of the lendable proceeds of such issue must be made available for a minimum period of time for owner financing of residences located within certain targeted areas, as described more fully below under the subheading "Targeted Area Requirement," (iv) mortgagors must be informed regarding the recapture of a portion of the proceeds from the disposition of certain residences, as described more fully below under the subheading "Recapture Requirements," (v) the issue must not meet the private business tests, as described more fully below under the subheading "Private Business Use Limitations," (vi) amounts received as repayment of principal on the Mortgage Loans ten years after the date of issuance of the bonds must be used to redeem bonds that are part of the issue, as described more fully under the subheading "Redemption

Requirements" below and (vii) the issue must meet certain reporting requirements, as set forth more fully below under the subheading "Reporting Requirements."

In addition, to be "qualified mortgage bonds," the bonds must been approved by (i) the Governing Board of the Department and (ii) an "applicable elected representative" of the State after a public hearing following reasonable public notice. Further, the costs of issuance financed by an issue of bonds cannot exceed two percent of the proceeds of such issue. Additionally, the amount of such an issue of bonds, other than certain refunding bonds, when added to the amount of all other private activity bonds issued within the State during calendar year of issuance must not exceed the unified volume cap for private activity bonds imposed by the Code and applicable regulations.

Mortgage Eligibility Requirements

The Code contains six basic mortgage eligibility requirements that must be met at the time a mortgage is executed or assumed.

Residence Requirement. The Code requires that each home financed by a mortgage loan is a single family residence (i) that can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after financing is provided and (ii) located in the jurisdiction of the Department.

First-time Homebuyer Requirement. The Code requires that at least 95% of the net proceeds of an issue be used to finance residences of mortgagors who have not had a present ownership interest in their principal residences at any time during the three-year period prior to execution of the mortgage loan; provided, however, that the three-year requirement does not apply (i) to financings with respect to Targeted Area Residences, (ii) in the case of land possessed under a "contract for deed" by a mortgagor whose principal residence is located on such land and whose family income is not more than 50% of the area median family income (the "Contract for Deed Exception"), or (iii) financing of any residence of a qualified veteran, if such veteran has not previously qualified for and received such financed by reason of this exception. For purposes of the Contract for Deed Exception, the term "contract for deed" means a seller-financed contract for the conveyance of land under which legal title does not pass to the purchaser until the consideration under the contract is fully paid to the seller, and the seller’s remedy for nonpayment is forfeiture rather than judicial or nonjudicial foreclosure.

Purchase Price Limitations. The Code requires that the acquisition cost of the residence may not exceed 90% of the "average area purchase price" applicable to such residence, or, in the case of Targeted Area Residences, 110% of the applicable "average area purchase price." The Service has published "safe harbor rules" identifying purchase price limitations in the State that are considered to be in compliance with the requirements of the Code. The Department has determined to rely on the safe harbor figures for purposes of the Series 2020A Bonds.

Income Requirements. The Code requires that all the mortgage loans financed with the proceeds of an issue be provided to borrowers whose family income does not exceed 115% (100% in the case of individuals or families of two) of the greater of the statewide median income or the median income of the area in which the residence is located. For Targeted Area Residences, the percentages in the foregoing sentence are 140% and 120%, respectively, and one-third of the financings may be provided without regard to such limits.

Requirements as to Assumptions of Mortgages. The Code provides that a mortgage loan may be assumed only if the assuming mortgagor complies with the residence requirement, first-time homebuyer requirement, purchase price limitations and income requirements, as if the loan were being made to the assuming mortgagor for the first time.

New Mortgage Requirement. The Code requires that no part of the proceeds of an issue of qualified mortgage bonds may be used to acquire or replace an existing mortgage (whether or not paid off) on the residence at any time prior to the execution of the new mortgage. An exception from the new mortgage requirement is provided for (i) the replacement of construction period loans, bridge loans or other similar temporary initial financing having a term not exceeding 24 months, and (ii) certain residences described within the Contract for Deed Exception.

Requirements Related to Arbitrage and Rebate

Sections 143 and 148 of the Code provide that: (i) the effective interest rate on the mortgage loans financed with the proceeds of an issue of qualified mortgage bonds may not exceed the yield on such bonds by more than 1.125 percentage points subject to the Department's payment of yield reduction payments as set forth in the regulations promulgated under the Code; (ii) no more than 10% of the proceeds of an issue of bonds may be invested in any reserve or replacement fund; (iii) no more than the lesser of 5% of the proceeds of an issue of bonds or $100,000 (other than amounts invested for certain temporary periods or in a "reasonably required reserve fund") may be invested at a yield materially higher than the yield on such bonds; and (iv) the amount of funds held in certain accounts (other than amounts held for certain temporary periods) for an issue of bonds invested at a yield greater than the yield on such bonds may not exceed 150% of the current year's debt service on such bonds appropriately reduced as mortgage loans are prepaid. In calculating the effective interest rate on the mortgages, all amounts borne by the mortgagor either directly or indirectly must be taken into account.

The Code also requires the issuer to make rebate payments to the federal government in connection with certain investment earnings on non- mortgage investments, to the extent that such investment earnings exceed the amount that would have been earned on such investments if the investments were earning a return equal to the yield on the tax-exempt bonds to which such non-mortgage investments relate.

Targeted Area Requirement

The Code requires that either an amount equal to (a) at least 20% of the lendable proceeds of an issue of qualified mortgage bonds or (b) 40% of the average annual aggregate principal amount of mortgages executed during the immediately preceding three calendar years for single family, owner-occupied residences in targeted areas within the Department's jurisdiction, if such amount is less, must be reserved, for at least one year from the date on which owner-financing is first made available with respect to residences located within one or more targeted areas ("Targeted Area Residences"). Targeted Areas consist of (i) census tracts identified by the United States Treasury Department as having a substantial concentration of lower-income persons or (ii) areas of chronic economic distress designated by the State and approved by HUD. The State, at the request of the Department, has designated and HUD and the Secretary of the Treasury have approved, certain "areas of chronic economic distress" within the State. In addition, the Department has determined that there are "qualified census tracts" within the State.

Recapture Requirements

The Code subjects to a tax any mortgagor who disposes of an interest in a residence with respect to which there is or was any federally-subsidized indebtedness (i.e., a mortgage loan), the payment for which the mortgagor was liable in whole or in part. Specifically, such a mortgagor is subject to the payment of an additional tax reflecting the "recapture amount" with respect to such indebtedness. This recapture amount is determined pursuant to a formula established in the Code based on the "federally-subsidized amount," the time of disposition and certain family income limits applicable to the mortgagor. This recapture provision does not apply to any disposition of an interest in a residence by reason of death or any such disposition that is more than nine years after the date the mortgage loan is made.

In order to facilitate the collection of the recapture amount from mortgagors, the Code requires that the issuer of any issue of qualified mortgage bonds, at the time of settlement of a mortgage loan, provide a written statement informing the mortgagor of the potential recapture under the Code. Furthermore, the Code requires that the issuer, not later than 90 days after the date each such mortgage is closed, provide a written statement to the mortgagor specifying the federally-subsidized amount with respect to such mortgage loan and the applicable income limits.

Private Business Use Limitations

The Code provides that an issue of qualified mortgage bonds must not meet the private business use test and the private security or payment tests set out in sections 141(b)(1) and (2) of the Code. The private business use test limits, subject to certain exceptions, the amounts of proceeds that can be used, directly or indirectly, in a trade or business carried on by any person (other than a natural person) that is not a state or local governmental unit to no more than 10% of the proceeds of the issue. The private security or payment test provides that, subject to certain exceptions, the payment of principal of, or the interest on, more than 10% of the proceeds of an issue be, directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) be derived from payments in respected of such property.

Redemption Requirements

The Code contains two redemption requirements that must be satisfied in order for an issue of bonds to be treated as "qualified mortgage bonds." The Code requires that all proceeds of an issue of qualified mortgage bonds in an amount of $250,000 or more that are not expended to finance residences within 42 months of the date of issuance of such bonds must be used within such 42-month period to redeem bonds that are part of such issue of bonds. The Code also requires that all amounts of $250,000 or more that are received by the issuer and representing complete repayments of mortgage loans or prepayments of principal of mortgage loans must be used to redeem bonds of the same issue not later than the close of the first semiannual period beginning after the date the prepayment or complete repayment is received; provided that, such requirement does not apply to amounts received within 10 years after the date of issuance of the original bonds.

Reporting Requirements

An issuer of qualified mortgage bonds is required to file with the Secretary of the Treasury an informational report containing various data regarding such bonds and the mortgages financed with the proceeds thereof.

Compliance with Tax Requirements

With respect to the mortgage eligibility requirements described above, the Code provides that such requirements will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements before the mortgage loans are executed; (ii) 95% or more of the lendable proceeds were used for mortgage loans that met all the mortgage eligibility requirements at the time of execution or assumption; and (iii) any failure to meet such requirements is corrected within a reasonable period of time after such failure is discovered. In determining whether or not 95% of the mortgage loans satisfy the mortgage eligibility requirements, the issuer is entitled to rely upon affidavits of the mortgagors and sellers of residences financed with the mortgage loans and upon federal income tax returns of the mortgagors, even if the relevant information in such affidavits and returns ultimately proves to be false, unless the issuer knows or has reason to know that such information is false.

The Code provides that the requirements related to arbitrage, Targeted Area Residences and recapture will be treated as having been met if: (i) the issuer attempts in good faith to meet such requirements and (ii) any failure to meet such requirements is due to inadvertent error after having taken reasonable steps to comply with such requirements.

The Department has covenanted in the Trust Indenture and the Mortgage Lenders and the Master Servicer have covenanted in the Program Agreements to (i) comply with the above-described requirements of the Code with respect to the proceeds of the Series 2020A Bonds and (ii) establish and follow procedures and safeguards sufficient to ensure compliance with such requirements. Nevertheless, if the Department, a Mortgage Lender, or the Master Servicer should fail to comply with such covenants, interest on the Series 2020A Bonds could become includable in gross income for federal income tax purposes from the date of issuance thereof, regardless of the date on which the event causing such inclusion occurs.

TAX MATTERS RELATING TO THE SERIES 2020B BONDS

Under existing law, interest on the Series 2020B Bonds is not excludable from gross income for federal income tax purposes. Investors should consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of the Series 2020B Bonds, including the application and effect of federal, state, local, foreign and other tax laws.

CONTINUING DISCLOSURE OF INFORMATION

In the Continuing Disclosure Agreement, dated as of June 1, 2020 (the "Disclosure Agreement"), between the Trustee and the Department, the Department has made the following agreement for the benefit of the holders and beneficial owners of the Series 2020 Bonds. The Department is required to observe the Disclosure Agreement for so long as it remains obligated to advance funds to pay the Series 2020 Bonds. Under the Disclosure Agreement, the Department will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

No Eligible Borrower is an "obligated person" (as defined in Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Rule")) for whom financial information or operating data would be presented in this Official Statement had such Eligible Borrower been known at the time of the offering of the Series 2020 Bonds.

The Department's Bond Finance Division has policies and procedures in place to assist the Department in complying with continuing disclosure undertakings such as the Disclosure Agreement. The Department's policies and procedures and the Disclosure Agreement have been amended in response to the two new notice events added, effective February 27, 2019, to the list of events for which notice is required by the Rule. See "—Event Notices."

Annual Reports

The Department will provide certain updated financial information and operating data to the MSRB annually within six months after the end of its Fiscal Year. The information to be updated includes all quantitative financial information and operating data with respect to the Department of the general type included in this Official Statement in "APPENDIX D-1 – ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES" and "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS" and the annual financial statements of the Texas Department of Housing and Community Affairs – Revenue Bond Enterprise Fund for the Fiscal Year ended August 31, 2020 and for each subsequent Fiscal Year (financial statements for the last completed Fiscal Year will be unaudited, unless an audit is performed in which event the audited financial statements will be made available). The Department will update and provide this information within six months after the end of each Fiscal Year ending on or after August 31, 2020. The Department will provide the updated information to the MSRB.

The Department may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the Department commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Department will provide unaudited financial statements within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described under "FINANCIAL STATEMENTS" or such other accounting principles as the Department may be required to employ from time to time pursuant to state law or regulation.

The Department's current Fiscal Year ends on August 31, 2020. Accordingly, it will provide updated information to the MSRB in the electronic format prescribed by the MSRB, if any, by the last day of February in the year 2021 and will be required to provide updated information to the MSRB by the last day of February in each year thereafter, unless the Department changes its Fiscal Year. If the Department changes its Fiscal Year, it will notify the MSRB of the change.

The Department determined in 2017 that the annual disclosure of information regarding the Residential Mortgage Revenue Bond Program ("RMRB Program") would no longer include certain annual information since the RMRB Program has no whole mortgage loans and over 99% of the mortgage-backed certificates are Ginnie Mae Certificates. As such, information related to: (i) whole mortgage loans and (ii) mortgage-backed certificate type and delinquency data are immaterial to the current RMRB Program and were and will be omitted in its annual disclosure. Based on the changing make-up of the pledged assets under the Department's various indentures, the Department will determine materiality of disclosure items and may modify its disclosure accordingly in the future.

Event Notices

The Department will provide notice to the MSRB of any of the following events with respect to the Series 2020 Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of securities holders; (3) Series 2020 Bond calls, if material, and tender offers; (4) release, substitution, or sale of property securing repayment of the Series 2020 Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; (6) appointment of a successor or additional trustee or the change of name of a trustee; and (7) incurrence of a financial obligation of the Department, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Department, any of which affect security holders.

The Department will also provide notice to the MSRB of any of the following events with respect to the Series 2020 Bonds without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series A Bonds, or other events affecting the tax-exempt status of the Bonds; (6) defeasances; (7) rating changes; and (8) bankruptcy, insolvency, receivership or similar event of an obligated person; and (9) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Department, any of which reflect financial difficulties.

For the purposes of the above described event notices, the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The Department intends the words used in (7) in the first paragraph of this subcaption and item (9) immediately above and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The Department will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The Department will also provide timely notice of any failure by the Department to provide annual financial information in accordance with their agreement described above under "Annual Reports."

Availability of Information from MSRB

The Department has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Series 2020 Bonds only if the holders comply with the procedures and pay any charges that may be established by the MSRB such information vendors or obtain the information through securities brokers who do so. Such information is available at no charge at www.emma.msrb.org.

Limitations and Amendments

The Department has agreed to update information and to provide notices of material events only as described above. The Department has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Department makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2020 Bonds at any future date. The Department disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Disclosure Agreement or from any statement made pursuant to its Disclosure Agreement, although holders of Series 2020 Bonds may seek a writ of mandamus to compel the Department to comply with its Disclosure Agreement.

The Disclosure Agreement may be amended by the Department and the Trustee from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Department, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell any Series 2020 Bonds in the primary offering of the Series 2020 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Disclosure Agreement that authorizes such an amendment) of the Outstanding Series 2020 Bonds consent to such amendment or (b) a person that is unaffiliated with the Department (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2020 Bonds. If the Department so amends the Disclosure Agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of any change in the type of financial information and operating data so provided. The Department may also amend or repeal the provisions of the Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling any Series 2020 Bonds in the primary offering of such Series 2020 Bonds.

Notwithstanding the foregoing, under current state law, the Department is required to have an audit performed annually by independent accountants, which audit is available to any person who makes a request to the Department and upon payment of the cost of copying thereof.

Duties, Immunities, and Liabilities of Trustee

The Trust Indenture is made applicable to the Disclosure Agreement as if the Disclosure Agreement were (solely for this purpose) contained in the Trust Indenture. The Trustee shall have only such duties as are specifically set forth in the Disclosure Agreement, and no implied covenants shall be read into the Disclosure Agreement against the Trustee.

RATINGS

Moody's Investors Service, Inc. ("Moody’s") and Standard & Poor's Ratings Services, a Standard & Poor’s Financial Service LLC business ("S&P"), have assigned ratings to the Series 2020 Bonds of "Aaa" and "AA+," respectively. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings do not represent recommendations to buy, sell, or hold the Series 2020 Bonds. The ratings reflect only the respective views of such organizations at the time such ratings were assigned and the Department makes no representation as to the appropriateness of the ratings.

There is no assurance that any ratings assigned to the Series 2020 Bonds will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2020 Bonds.

UNDERWRITING

The Series 2020 Bonds are being purchased from the Department by the Underwriters listed on the cover page of this Official Statement. Pursuant to the bond purchase agreement for the Series 2020A Bonds and the Series 2020B Bonds (the "Bond Purchase Agreement"), the Underwriters have agreed to purchase the Series 2020A Bonds at a total purchase price of $184,997,154.90 (including $10,747,154.90 of net premium) and the Series 2020B Bonds at a total purchase price of $12,395,143. The Underwriters will receive a fee of $1,219,123.68 in connection with the purchase of the Series 2020A Bonds and a fee of $76,424.04 in connection with the Series 2020B Bonds. The Bond Purchase Agreement provides, among other things, that the Underwriters' obligations to make their respective purchases are subject to certain terms and conditions set forth in such Bond Purchase Agreement, including the approval of certain legal matters by their counsel and certain other conditions. The initial public offering prices of the Series 2020

Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Series 2020 Bonds to certain dealers (including dealers depositing the Series 2020 Bonds into unit investment trusts, certain of which may be sponsored or managed by one or more of the Underwriters) and others at prices other than the public offering prices stated on the inside front cover hereof.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2020 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2020 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2020 Bonds that such firm sells.

Jefferies LLC, an underwriter of the Series 2020 Bonds, has entered into an agreement (the "Agreement") with E*TRADE Securities LLC ("E*TRADE") for the retail distribution of municipal securities. Pursuant to the Agreement, Jefferies LLC will sell the 2020 Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2020 Bonds, has entered into a retail distribution agreement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution agreement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Department and to persons and entities with relationships with the Department, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Department (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Department. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

Stifel, Nicolaus & Co., Inc. (the "Financial Advisor") has served as financial advisor to the Department for purposes of assisting the Department with the development and implementation of the bond program in connection with the Series 2020 Bonds. The Financial Advisor has not been engaged by the Department to compile, create or interpret any information in this Official Statement relating to the Department, including (without limitation) any of the Department's financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Department, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm, and has not been engaged by the Department to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

FINANCIAL STATEMENTS

The financial statements of the Texas Department of Housing and Community Affairs-Revenue Bond Enterprise Fund as of and for the fiscal year ended August 31, 2019, have been audited by the Texas State Auditor's Office, independent auditors, as stated in their report rendered in connection therewith and are incorporated by reference in this Official Statement.

The financial data as of and for the six months ended February 29, 2020, which is incorporated by reference in this Official Statement, has been derived from the unaudited internal records of the Department. The Department's independent auditors have not reviewed, examined, or performed any procedures with respect to the unaudited financial information, nor have they expressed an opinion or any other form of assurance on such information, and assume no responsibility for, and disclaim any association with the unaudited information. The unaudited information is preliminary and is subject to change as a result of the audit and may materially differ from the audited financial statements when they are released.

The TDHCA FY2019 Audited Financial Statements (Revenue Bond Enterprise Fund) as of August 31, 2019 are available for inspection at the Department's offices, upon request, or at:

https://www.tdhca.state.tx.us/bond-finance/docs/F_STMSFY19.pdf

The TDHCA Interim Financial Statements as of February 29, 2020 are available for inspection at the Department's offices, upon request, or at:

http://www.tdhca.state.tx.us/bond-finance/docs/official-statements/200229-SF-InterimFinancialStatements.pdf.

THE SERIES 2020 BONDS ARE SECURED ONLY BY THE ASSETS AND REVENUES DESCRIBED UNDER THE CAPTION "SECURITY FOR THE BONDS" AND NOT BY ANY OTHER SOURCE.

LITIGATION MATTERS

The Department is expected to deliver a certificate upon the delivery of the Series 2020 Bonds stating that there is no controversy or litigation of any nature pending or, to its knowledge, threatened to restrain or enjoin the delivery of the Series 2020 Bonds, or in any way contesting or affecting the validity of the Series 2020 Bonds, the Trust Indenture, or any proceedings of the Department taken with respect to the delivery of the Series 2020 Bonds, or the existence or powers of the Department insofar as they relate to the delivery of the Series 2020 Bonds or such pledge or application of moneys and security.

APPROVAL OF LEGALITY

Legal matters incident to the delivery of the Series 2020A Bonds are subject to the approving opinion of Bracewell LLP, Bond Counsel. Certain legal matters will be passed upon for the Department by its General Counsel, James "Beau" Eccles, Esq., and by its Disclosure Counsel, McCall, Parkhurst & Horton L.L.P. Certain legal matters will be passed upon for the Underwriters by their counsel Chapman and Cutler LLP.

In its capacity as Bond Counsel, Bracewell LLP has reviewed the information appearing in this Official Statement describing the Series 2020 Bonds, the security therefor and the federal income tax status thereof, appearing under the captions "THE SERIES 2020 BONDS (but excluding the information contained therein under the subheading "—Average Life and Prepayment Speeds"), "SECURITY FOR THE BONDS" (but excluding the information contained therein under the subheading "—Certain Information as to Revenues, Investments, Debt Service and Department Expenses"), "TAX MATTERS RELATING TO THE SERIES 2020A BONDS," "TAX MATTERS RELATING TO THE SERIES 2020B BONDS," and "APPROVAL OF LEGALITY" and in Appendix A, Appendix C, Appendix E, Appendix F—Texas Treasury Safekeeping Trust Company, Appendix F—Legality for Investment and Appendix F—The Program and the Mortgage Loans (but excluding the information under the subheadings "—Servicing", "—The Master Servicers" and "—Investment of Funds"), to this Official Statement solely to determine whether such information fairly and accurately describes or summarizes the provisions of the Act, the laws of the State, the Trust Indenture, the 2020 Supplemental Indentures, the Depository Agreement, the Series 2020 Bonds and the federal tax implications with respect to the Series 2020 Bonds. Bond Counsel was not requested to participate and did not take part in the preparation of any other information contained herein and did not assume responsibility with respect thereto or undertake independently to verify the accuracy of any of such information. Except as set forth above, Bond Counsel does not pass upon the fairness, accuracy or completeness of this Official Statement, and no person is entitled to rely upon such firm's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of the information contained herein.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Trust Indenture are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. The information contained above is subject to change without notice and no implication is to be derived therefrom or from the sale of the Series 2020 Bonds that there has been no change in the affairs of the Department from the date hereof.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or owners of any of the Series 2020 Bonds.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: */s/* Leslie Bingham
Vice Chair and Member
Governing Board

By: */s/* Bobby Wilkinson
Executive Director

APPENDIX A

GLOSSARY

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Unless otherwise provided in the text of this Official Statement, capitalized terms used in this Official Statement shall have the following definitions:

"Account" or "Accounts" shall mean any one or more, as the case may be, of the separate special trust accounts created and established within the Funds created and established under the Trust Indenture and the 2020 Supplemental Indentures.

"Act" shall mean Chapter 2306, Texas Government Code, as amended.

"Agency" shall mean the Texas Housing Agency, all of whose functions and obligations (including Bonds previously issued under the Trust Indenture) along with the functions and obligations of the Texas Department of Community Affairs were transferred to the Department pursuant to the Act, which abolished both the Agency and the Texas Department of Community Affairs.

"Authorized Denomination," shall mean, with respect to the Series 2020A Bonds, $5,000 principal amount or any integral multiple thereof and, with respect to the Series 2020B Bonds, $1.00 and any integral multiple thereof.

"Board" shall mean the Governing Board of the Department.

"Bond Counsel" shall mean a firm or firms of attorneys selected by the Department, and acceptable to the Trustee, experienced in the field of housing revenue bonds the interest on which is excludable from gross income for federal income tax purposes, and whose legal opinion on such bonds is acceptable in national bond markets.

"Bond Depository" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to the 2020 Supplemental Indentures.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement providing for the initial purchase of the Series 2020A Bonds and Series 2020B Bonds by the Underwriters.

"Bond Year" shall mean each twelve-month period ending August 31.

"Bondholder," "Holder," "Owner" or "owner" shall mean the bearer of any coupon Bond not registered as to principal or registered as to principal to bearer, the registered owner of any Bond registered as to principal other than to bearer and the registered owner of any fully registered Bond as to both principal and interest.

"Bonds" shall mean any bond or bonds, as the case may be, authenticated and delivered pursuant to the Trust Indenture, including the Series 2020A Bonds, the Series 2020B Bonds, the Prior Bonds and any additional bonds.

"Business Day" shall mean any day other than a (i) Saturday or Sunday, (ii) day on which banking institutions in New York, New York, the State of Texas or the city in which the payment office of the Paying Agent is located are authorized or obligated by law or executive order to be closed for business, or (iii) day on which the New York Stock Exchange is closed.

"Certificate Purchase Period" shall mean the period from July 8, 2020 to and including February 1, 2021 which may be extended to a date no later than December 1, 2023 in accordance with the Series 2020A Supplemental Indenture.

"Code" shall mean the Internal Revenue Code of 1986, as amended, together with the corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service.

"Compliance Agent" shall mean Housing and Development Services d/b/a eHousingPlus and its successors and assigns.

"Compliance Agreement" shall mean the Program Administration Agreement as of May 7, 2020, by and between the Department and the Compliance Agent, together with any amendments thereto.

"Contract for Deed Exception" shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to an Eligible Borrower possessing land under a contract for deed as provided in Section 143(i)(l)(C) of the Code.

"Conventional Mortgage Loan" shall mean a Mortgage Loan which is not federally insured or guaranteed and which complies with the provisions of the Trust Indenture.

"Counsel's Opinion" shall mean a written opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds (who may also be counsel to the Department) selected by the Department and satisfactory to the Trustee.

"Debt Service" shall mean, with respect to any particular Bond Year and any Series of Bonds, an amount equal to the sum of (a) all interest payable on such Bonds during such Bond Year except to the extent such interest is to be paid from deposits in the Interest Account in the Debt Service Fund made from Bond proceeds, plus (b) the principal installment or installments of such Bonds during such Bond Year. Such interest and principal installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding on the date of calculation will cease to be Outstanding except by reason of the payment of each principal installment on the due date thereof.

"Department" shall mean the Texas Department of Housing and Community Affairs, a public and official agency of the State, and its successors and assigns. The terms Department and Agency shall be used interchangeably.

"Department Assets" shall mean the aggregate of (i) the outstanding principal balance of all Mortgage Loans and (ii) the moneys and Investment Securities in all Funds and Accounts (other than amounts in the Rebate Account, any bond purchase fund and amounts designated for payment of costs of issuance and amounts estimated to pay Department Expenses), with the Investment Securities valued at their amortized value in accordance with the provisions of the Trust Indenture.

"Department Expenses" shall mean the Department's expenses of carrying out and administering its powers, duties and functions in connection with the Mortgage Loans and shall include without limiting the generality of the foregoing: salaries, supplies, utilities, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus; expenses for data processing, insurance premiums, legal, accounting, management, consulting and banking services and expenses; the fees and expenses of the Trustee, Depositories and Paying Agents; Mortgage Loan servicing fees; costs of issuance not paid from proceeds of Bonds; payments to pension, retirement, health and hospitalization funds; and any other expenses required or permitted to be paid by the Department under the provisions of the Act, the Trust Indenture and any Supplemental Indenture, all to the extent properly allocable to the Program.

"Depository" shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any successor depository appointed pursuant to the Trust Indenture.

"Depository Agreement" shall mean that certain Amended and Restated Depository Agreement, dated as of August 1, 1991, by and among the Department, the Trustee and the Depository, together with any amendments or supplements thereto.

"De Minimis Special Redemption" shall mean a one-time redemption of Series 2020A Bonds from unexpended proceeds in an amount less than $500,000 that is treated as a Special Redemption from Mortgage Loan Principal Payments as provided in the Supplemental Indenture.

"DPA Loan" means a subordinated, no stated interest, thirty-year term loan for down payment and closing costs made to a mortgagor under the Program in an amount as identified in the commitment lot notice applicable to the 2020 A Mortgage Loan, subject to adjustment from time to time at the direction of the Department. DPA Loans are not considered Mortgage Loans.

"Eligible Borrowers" shall mean persons that meet the requirements set forth in "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – The Program and the Mortgage Loans."

"Fannie Mae" shall mean the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America, or its successor.

"Fannie Mae Certificate" shall mean a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security (or participation therein) bearing interest at the applicable pass-through rate, issued by Fannie Mae in book-entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans in the related Fannie Mae pool.

"Fannie Mae Guides" shall mean the Fannie Mae Selling and Servicer Guides, or other Fannie Mae Guides then in effect on the date of its application.

"FDIC" shall mean the Federal Deposit Insurance Corporation, or its successor.

"FHA" shall mean the United States Department of Housing and Urban Development, Federal Housing Administration, or its successor.

"FHA Mortgage Loan" shall mean a Mortgage Loan insured by FHA under the provisions of the National Housing Act, as amended, and which complies with the Trust Indenture.

"Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States of America, or its successor.

"Freddie Mac Certificate" shall mean a guaranteed mortgage pass-through Freddie Mac Mortgage - Backed Security (or participation therein) bearing interest at the applicable pass-through rate, issued by Freddie Mac in book- entry form, transferred to the account of the Trustee or its nominee (or any successor or transferee), guaranteed as to timely payment of principal and interest by Freddie Mac and backed by conventional or government insured or government guaranteed Mortgage Loans in the related Freddie Mac pool.

"Freddie Mac Guide" shall mean the Freddie Mac Single-Family Seller/Servicer Guide, or other Freddie Mac Guide then in effect on the date of its application.

"Fund" shall mean any one or more, as the case may be, of the Mortgage Loan Fund, the Expense Fund, the Revenue Fund, the Debt Service Fund and the Special Mortgage Loan Fund.

"Ginnie Mae" or "GNMA" shall mean the Government National Mortgage Association, wholly-owned corporate instrumentality of the United States of America within the Department of Housing and Urban Development, whose powers are prescribed generally by Title III of the National Housing Act of 1934, as amended (12 U.S.C. § et seq.), and any successor thereto.

"Ginnie Mae Certificate" or "GNMA Certificate" shall mean a fully-modified, mortgage-backed, pass-through security (or participation therein) issued by the Master Servicer in accordance with the applicable Ginnie Mae Guide bearing interest at the applicable pass-through rate and representing the beneficial ownership interest in a Ginnie Mae pool, registered in the name of the Trustee and guaranteed as to timely payment of principal and interest by Ginnie Mae pursuant to Section 306(g) of Title III of the National Housing Act of 1934 and regulations promulgated thereunder, backed by Mortgage Loans originated by Mortgage Lenders under the Program and packaged by the Master Servicer into a Ginnie Mae pool.

"Ginnie Mae Guide" means the GNMA II Mortgage Backed Securities Guide (Ginnie Mae 5500.3), as supplemented from time to time.

"Ginnie Mae Issuer" shall mean any issuer of Ginnie Mae Certificates backed by Ginnie Mae Mortgage Loans.

"Ginnie Mae Mortgage Loans" shall mean the Mortgage Loans constituting part of a Mortgage Pool backing a Ginnie Mae Certificate.

"Ginnie Mae Paying Agent" shall mean JPMorgan Chase Bank, New York, New York, in its capacity as the central transfer and paying agent pursuant to the Ginnie Mae Guide, or its successors or assigns.

"Interest Payment Date" shall mean, with respect to the Series 2020A Bonds, each September 1 and March 1, commencing September 1, 2020, and any date on which the Series 2020A Bonds are subject to redemption and, with respect to the Series 2020B Bonds, the first day of each month commencing August 1, 2020 and any other date on which the Series 2020B Bonds are subject to redemption.

"Investment Securities" shall mean and include any one or more of the following securities, if and to the extent the same are at the time legal for investment of Department funds:

(a) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America ("Government Obligations");

(b) FHA debentures which must not be redeemable prior to their stated maturity;

(c) obligations of the Freddie Mac (including only securities guaranteed as to timely payment of principal and interest);

(d) obligations of the Farm Credit System;

(e) obligations of Federal Home Loan Banks;

(f) obligations of Fannie Mae (excluding interest-only and principal-only stripped securities);

(g) obligations of the Student Loan Marketing Association ("SLMA") excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date;

(h) obligations of Resolution Funding Corporation ("REFCORP");

(i) federal funds, unsecured certificates of deposit, time deposits and banker's acceptances (in each case, having maturities of not more than 365 days) of any bank the short-term obligations of which are rated in the highest applicable rating category by the Rating Agency;

(j) deposits which are fully insured by the FDIC (including deposits with the Trustee or an affiliate of the Trustee);

(k) debt obligations of a state or municipality rated in the highest applicable rating category by the Rating Agency (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(l) commercial paper having maturities not in excess of one year rated in the highest applicable category by the Rating Agency;

(m) investment in money market funds registered under the 1940 Act and whose shares are registered under the 1933 Act rated in the highest applicable rating category by the Rating Agency;

(n) repurchase agreements with any transferor with long-term unsecured debt rated in the highest applicable rating category or commercial paper rated in the highest applicable rating category by the Rating Agency;

(o) U.S. Treasury STRIPS, REFCORP STRIPS (stripped by the Federal Reserve Bank of New York) and any stripped securities assessed or rated in the highest applicable rating category by the Rating Agency;

(p) investment agreements secured or unsecured as required by the Department with or guaranteed by any Person whose long-term unsecured general indebtedness is at the date of execution of such agreement rated by the Rating Agency in the highest category for long-term obligations or, if the term of such investment agreement does not exceed one year, whose short term unsecured general indebtedness is at the date of execution of such agreement rated by the Rating Agency in the highest category for short-term obligations (A-1+ if the Rating Agency is then S&P);

(q) any other investment which in Counsel's Opinion is at the time permitted by then applicable law for the investment of the Department's funds and to the extent such investments are rated by a Rating Agency in its highest rating category;

(r) any pooled or common trust fund containing only securities described in the foregoing clauses (a) through (i);

(s) obligations the interest on which is excludable from gross income under Section 103(a) of the Code; provided that such obligations are rated by the Rating Agency in its highest rating category;

(t) United States Treasury Securities – State and Local Government Series; and

(u) investment securities described in any Supplemental Indenture for the related Series of Bonds the inclusion of which in the definition of Investment Securities for purposes of the Trust Indenture will not, in and of itself, adversely affect any rating then assigned to the Bonds by the Rating Agency, as evidenced by a letter from the Rating Agency (determined without regard to any credit facility).

"Junior Lien Bonds" shall mean any bond or bonds issued by the Department for the purpose of making, acquiring or refinancing mortgage loans, which may or may not be pledged as Mortgage Loans under the Trust Indenture, provided the income, revenues and receipts received by the Department on such mortgage loans are pledged as Revenues under the Trust Indenture, which is superior to the pledge of such amounts to such junior lien bonds other than to the payment of Department expenses in carrying out and administering its powers, duties and functions in connection with such mortgage loans.

"Junior Lien Trust Indenture" shall mean the Junior Lien Trust Indenture dated as of May 1, 1994, as supplemented, between the Department and the Trustee, as the same may be amended or supplemented from time to time by a series supplement and any other supplemental indenture in accordance with the terms thereof.

"Letter of Instructions" shall mean, with respect to the Series 2020 Bonds, a written directive and authorization to the Trustee or any Depository specifying the period of time for which such directive and authorization shall remain in effect, executed by two authorized officers of the Department.

"LIBOR" shall have the meaning set forth in the 2000 ISDA (International Swaps and Derivatives Association) Definitions, subject to the condition that the rate shall be for one-month maturities.

"Master Indenture" shall mean the Department's Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture, dated as of June 1, 2017, which amended and restated the Single Family Mortgage Revenue Bond Trust Indenture, dated as of October 1, 1980, as previously amended and supplemented, pursuant to which the Bonds of each Series are authorized to be issued.

"Master Servicer" when used with respect to Program 95, shall mean Idaho Housing and Finance Association, or any successor thereto as servicer for such Program and when used with respect to another particular Program, shall mean the entity designated as servicer for such Program in the documents for such Program, or any successor thereto.

"Mortgage" shall mean any mortgage or deed of trust securing a Mortgage Loan.

"Mortgage Certificate" shall mean a Ginnie Mae Certificate, a Freddie Mac Certificate or a Fannie Mae Certificate that evidences beneficial ownership of and a one hundred percent (100%) participation in a Mortgage Pool.

"Mortgage Lender" shall mean any bank or trust company, mortgage banker approved by Fannie Mae or Freddie Mac, national banking association, savings bank, savings and loan association, non-profit corporation, mortgage company, the Department, any financial institution or governmental agency and any other entity approved by the Department, provided such mortgage lender is authorized to make Mortgage Loans satisfying the requirements of the Trust Indenture.

"Mortgage Loan" shall mean (i) a note or bond secured by a Mortgage which is eligible under the requirements of the Trust Indenture and is acquired with proceeds of Bonds, with temporary indebtedness incurred in anticipation of the issuance of the Bonds or other moneys of the Department which are, or may be, pledged by the Department to the Trustee by the Trust Indenture or by a Supplemental Indenture or (ii) other notes or bonds secured by a mortgage which is eligible under the requirements of the Trust Indenture and which is pledged by the Department to the Trustee by a Supplemental Indenture and which is held under the Trust Indenture. In the proper context Mortgage Loan may mean and include a Mortgage Certificate and a participation in a Mortgage Loan. Mortgage Loans do not include DPA Loans.

"Mortgage Loan Interest Payment" shall mean, with respect to any Mortgage Loan, the amounts paid or required to be paid from time to time as interest on such Mortgage Loan, after deducting any fees required to be paid for servicing of such Mortgage Loan and excluding any late charges or other charges which may be permitted by the Department to be retained by the servicer of such Mortgage Loan, and shall include amounts (other than amounts which are Mortgage Loan Principal Payments) received from the sale or other disposition of any Mortgage Loan or any collateral securing any Mortgage Loan or from any insurer or guarantor of any Mortgage Loan.

"Mortgage Loan Principal Payments" shall mean, with respect to the Series 2020A Bonds, all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the 2020 A Mortgage Certificates and, with respect to the Series 2020B Bonds, all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all 2020 B Transferred Mortgage Certificates.

"Mortgage Loan Principal Prepayment" shall mean any moneys received or recovered by the Department from any payment of or with respect to principal (including any penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan) on any Mortgage Loan other than the scheduled payments of principal called for by such Mortgage Loan, whether (i) by voluntary prepayment made by the mortgagor or (ii) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof (other than insurance moneys received or recovered and used in accordance with the provisions of the Trust Indenture to repair or reconstruct the mortgaged premises which were the subject of insurance proceeds) or (iii) by the sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department or (iv) in the event of a default thereon by the mortgagor, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Department or by any other proceedings taken by the Department or (v) from any special hazard insurance policy or standard hazard insurance policy covering mortgaged premises or (vi) from any mortgage insurance, including a private mortgage insurance policy and a mortgage pool insurance policy, or (vii) from any proceeds received from the United States of America or any instrumentality thereof in respect of any insurance or guaranty of a Mortgage Loan.

"Mortgage Origination Agreement" shall mean the Master Mortgage Origination Agreement, by and between the Department and a Mortgage Lender, together with any amendments thereto.

"Mortgage Pool" shall mean, with respect to a Mortgage Certificate, the pool of Mortgage Loans the beneficial ownership of which is represented thereby, as described on the schedule of pooled Mortgage Loans pertaining thereto.

"Outstanding" shall mean, when used with reference to Bonds, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Trust Indenture except:

(i) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Indenture; and

(iii) Bonds deemed to have been paid as provided in the Trust Indenture.

"Paying Agent" shall mean the Trustee.

"Person" shall mean any individual, public or private corporation, district, authority, municipality, political subdivision or other agency or entity of the State of Texas or the United States of America, and any incorporated city, town or village, whether operating under general or special law or under its home-rule charter, and any partnership, association, firm, trust, estate, or any other entity whatsoever.

"Policy Payments Account" shall mean, collectively, the Policy Payments Accounts held by the Trustee into which payments from claims on any bond insurance policies will be deposited until disbursed.

"Premium Serial Bonds" shall mean the Series 2020A Bonds maturing in the years 2026 through 2028, inclusive, which were sold at a premium as shown on the inside cover page.

"Premium PAC Term Bonds" shall mean the Term Bonds due March 1, 2051, which were sold at a premium as shown on the inside cover page.

"Premium Term Bonds" shall mean the Term Bonds due September 1, 2045, and March 1, 2050, which were sold at a premium as shown on the inside cover page.

"Primary Custodial Account" shall mean the account established by the Ginnie Mae Issuer with a depository institution which is a member of an automated clearing house (or a correspondent of such institution) into which the principal and interest payment on Ginnie Mae Mortgage Loans are deposited for payment to the Ginnie Mae Paying Agent at the times specified in the Ginnie Mae Guide.

"Prior Swap Agreements" shall mean the interest rate swap agreements previously entered into by the Department with the respective Prior Swap Providers, as set forth under the caption "PRIOR SWAP AGREEMENTS" herein, pursuant to which the Department and the respective Prior Swap Providers agreed to make payments thereunder with respect to a notional amount corresponding to the outstanding principal amount of the corresponding bonds for the purpose of effectively converting the interest rate on such bonds to a fixed interest rate.

"Prior Swap Providers" shall mean the Swap Providers for the respective Prior Swap Agreements.

"Program" shall mean the Department's Single Family Mortgage Revenue Bond Program as set forth and implemented through the Program Agreements.

"Program Agreements" shall mean the Mortgage Origination Agreement, the Servicing Agreement, the Compliance Agreement and the Program Guidelines.

"Program Guidelines" shall mean the Program Guidelines for Texas Department of Housing and Community Affairs effective September 5, 2019, relating to specific provisions of the Program, as amended from time to time.

"RHS" shall mean the United States Department of Agriculture Rural Housing Services, formerly Farmer's Home Administration and any successor thereto.

"Rating Agency" shall mean: (i) S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and any successor thereto; and (ii) Moody's Investors Service Inc., and any successor thereto to the extent either agency then has a rating on the Bonds in effect at the request of the Department.

"Rebate Account" shall mean collectively, the Rebate Accounts within the Expense Fund into which amounts to be paid to the United States of America will be deposited until disbursed.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Trust Indenture.

"Refunded Bonds" shall mean the Department's Single Family Mortgage Revenue Refunding Bonds, 2013 Series A.

"Revenues" when used with respect to the Series 2020A Bonds, shall mean in addition to those items defined as such in the Trust Indenture, all amounts paid or required to be paid from time to time on the 2020 A Mortgage Certificates and 2020 B Transferred Mortgage Certificates, respectively, including any payments received from Ginnie Mae, pursuant to its guaranty of the Ginnie Mae Certificates, all Mortgage Loan Principal Payments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 2020 A Mortgage Certificates and 2020 B Transferred Mortgage Certificates, respectively, and all other net proceeds of such 2020 A Mortgage Certificates and 2020 B Transferred Mortgage Certificates.

"Series" shall mean all Bonds designated as a Series in a Supplemental Indenture and which are authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds delivered in exchange for or in lieu of such Bonds.

"Series 2020A Bonds" shall mean the Department's Single Family Mortgage Revenue Bonds, 2020 Series A, issued under the Trust Indenture and the Sixty-Eighth Supplemental Indenture.

"Series 2020A Serial Bonds" shall mean those maturities of Series 2020A Bonds maturing each March 1 and September 1 from March 1, 2021 through September 1, 2031, inclusive, as indicated on the inside cover hereof.

"Series 2020B Bonds" shall mean the Department's Single Family Mortgage Revenue Refunding Bonds, 2020 Series B (Taxable), issued under the Trust Indenture and the Sixty-Ninth Supplemental Indenture.

"Sixty-Eighth Supplemental Indenture" shall mean the Sixty-Eighth Supplemental Single Family Mortgage Revenue Bond Trust Indenture, dated as of June 1, 2020, by and between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the issuance of the Series 2020A Bonds is authorized.

"Sixty-Ninth Supplemental Indenture" shall mean the Sixty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture, dated as of June 1, 2020, by and between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee, pursuant to which the issuance of the Series 2020B Bonds is authorized.

"SIFMA" shall mean The Securities Industry and Financial Markets Association.

"State" shall mean the State of Texas.

"Supplemental Indenture" shall mean any indenture supplemental to or amendatory of the Trust Indenture, adopted by the Department in accordance with the Master Indenture.

"Surplus Indenture Revenues" shall mean any moneys remaining in the Revenue Fund after all transfers required by the Indenture on any Interest Payment Date on the Bonds.

"Surplus Revenues Account" shall mean the Surplus Revenues Account of the Revenue Fund held by the Trustee into which Surplus Indenture Revenues are held until disbursed.

"Swap Agreement" shall mean any interest rate swap agreement entered into by the Department with a Swap Provider, pursuant to which the Department and the Swap Provider agree to make payments thereunder with respect to a notional amount corresponding to the outstanding principal amount of one or more Series of variable rate Bonds for the purpose of effectively converting the interest rate on such Bonds to a fixed interest rate.

"Swap Agreement Periodic Payment" shall mean any payment required to be paid by the Department under a Swap Agreement, other than a Swap Agreement Termination Payment.

"Swap Agreement Periodic Payment Account" shall mean, collectively, the Swap Agreement Periodic Payment Accounts within the Debt Service Fund held by the Trustee in which Swap Agreement Periodic Payments are held until disbursed.

"Swap Agreement Periodic Receipt" shall mean any payment required to be paid to the Department or the Trustee under a Swap Agreement, other than a Swap Agreement Termination Receipt.

"Swap Agreement Periodic Receipt Subaccount" shall mean, collectively, the Swap Agreement Periodic Receipt Subaccounts within the Surplus Revenues Account of the Revenue Fund held by the Trustee in which Swap Agreement Periodic Receipts are held until disbursed.

"Swap Agreement Termination Payment" shall mean any payment required to be paid by the Department under a Swap Agreement in connection with the termination of the respective Swap Agreement, whether voluntarily or upon the occurrence of an event of default or similar event thereunder.

"Swap Agreement Termination Payment Subaccount" shall mean, collectively, the Swap Agreement Termination Payment Subaccounts within the Surplus Revenues Account of the Revenue Fund held by the Trustee in which Swap Agreement Termination Payments are held until disbursed.

"Swap Agreement Termination Receipt" shall mean any payment required to be paid to the Department or the Trustee under a Swap Agreement in connection with the termination of the respective Swap Agreement, whether voluntarily or upon the occurrence of an event of default or similar event thereunder.

"Swap Agreement Termination Receipt Subaccount" shall mean, collectively, the Swap Agreement Termination Receipt Subaccounts held by the Trustee in which Termination Receipts are held until disbursed.

"Swap Provider" shall mean any Person with which the Department enters into an interest rate swap agreement with respect to any Bonds issued pursuant to the Trust Indenture.

"Term Bonds" shall mean the Series 2020A Bonds maturing on September 1, 2035, September 1, 2040, the Premium Term Bonds and the Premium PAC Term Bonds and the Series 2020B Bonds.

"Trust Indenture" shall mean the Master Indenture, as supplemented and amended from time to time, each between the Department and the Trustee.

"2020 A Administrative Subaccount" shall mean the 2020 A Administrative Subaccount of the 2020 A Mortgage Loan Account.

"2020 A MBS Principal Subaccount" shall mean the 2020 A MBS Subaccount of the Debt Service Fund.

"2020 A Mortgage Certificates" shall mean Mortgage Certificates which are purchased by the Trustee on and subsequent to the issuance date of the Series 2020A Bonds and pledged by the Department to the Trustee pursuant to the Trust Indenture and the Sixty-Eighth Supplemental Indenture.

"2020 A Mortgage Loan Account" shall mean the 2020 A Account of the Mortgage Loan Fund.

"2020 A Mortgage Loans" shall mean the Mortgage Loans included in each Mortgage Pool represented by a 2020 A Mortgage Certificate.

"2020 A Redemption Subaccount" shall mean the 2020 A Subaccount of the Redemption Account of the Debt Service Fund.

"2020 A Revenue Account" shall mean the 2020 A Account of the Revenue Fund.

"2020 B Mortgage Loan Account" shall mean the 2020 B Account of the Mortgage Loan Fund.

"2020 B Redemption Subaccount" shall mean the 2020 B Subaccount of the Redemption Account of the Debt Service Fund.

"2020 B Revenue Account" shall mean the 2020 B Account of the Revenue Fund.

"2020 B Transferred Mortgage Certificates" shall mean the Mortgage Certificates allocated to the 2020 B Mortgage Loan Account.

"Underwriters" shall mean RBC Capital Markets, LLC and the other underwriters named on a schedule to the Bond Purchase Agreement.

"VA" shall mean the United States of America Department of Veterans Affairs

"VA Mortgage Loan" shall mean a Mortgage Loan guaranteed by the VA under the provisions of the Servicemen’s Readjustment Act of 1944 or Chapter 37 of Title 38 of the United States Code, as amended, and which complies with the provisions of the Trust Indenture.

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APPENDIX B-1

GNMA AND THE GNMA CERTIFICATES

This summary of the GNMA Mortgage Backed Securities Program, the GNMA Certificates and the documents referred to herein does not purport to be comprehensive and is qualified in its entirety by reference to the GNMA Mortgage Backed Securities Guide published by GNMA and to said documents for full and complete statement of their provisions. The following summary is of the GNMA I Program and the GNMA II Program, as amended.

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

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

Each GNMA Certificate is to be backed by a mortgage pool consisting of Mortgage Loans in a minimum aggregate amount of $250,000 (or such lesser amount as may be approved by GNMA). Each GNMA I Certificate will be a "mortgage loan pass-through" certificate which will require the Master Servicer to pass through to the paying and transfer agent therefor (the "GNMA Paying Agent") by the fifteenth day of each month (or the sixteenth day, if such day is not a business day, provided that, if neither the fifteenth nor the sixteenth day is a business day, the first business day prior to the fifteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer receives such payments, plus any prepayments of principal of the Mortgage Loans received by the Master Servicer in the previous month. Each GNMA II Certificate will require the Master Servicer to pass through to the GNMA Paying Agent for the GNMA II Program, by the nineteenth day of each month (or the twentieth day, if such day is not a business day; provided that, if neither the nineteenth nor the twentieth day is a business day, then the first business day prior to the nineteenth day of the month), the regular monthly payments on the Mortgage Loans (less the GNMA Guaranty Fee and the Master Servicer's servicing fee, more fully described herein), whether or not the Master Servicer received such payments, plus any prepayments on the Mortgage Loan received by the Master Servicer in the previous month. The GNMA Paying Agent is then required to pass through to the Trustee on or before the third business day following the nineteenth day of each month the scheduled payments received from the Master Servicer. GNMA guarantees timely payment of principal of and interest with respect to the GNMA Certificate.

GNMA is authorized by Section 306(g) of Title III of the National Housing Act of 1934, as amended (the "Housing Act"), to guarantee the timely payment of the principal of, and interest on, securities that are based on and backed by a pool of mortgage loans insured by FHA under the Housing Act, or guaranteed by RDA under Title V of the Housing Act of 1949, or guaranteed by VA under the Servicemen's Readjustment Act of 1944, as amended, or Chapter 37 of Title 38, United States Code. Section 306(g) further provides that " the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated October 12, 1969, of an Assistant Attorney General of the United States, states that such guarantees under Section 306(g) of mortgage backed certificates of the type being delivered to the Trustee on behalf of the Department are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

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

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

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

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

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

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

Payment of principal and interest on the GNMA Certificate is required to be made in monthly installments on or before the third business day following the twentieth of each month commencing the month following the date of issue of the GNMA Certificate.

Each installment on the GNMA Certificate is required to be applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Certificate. Interest is to be paid at the specified rate on the unpaid portion of the principal of the GNMA Certificate. The amount of principal due on the GNMA Certificate is to be in an amount at least equal to the scheduled principal amortization currently due on the Mortgage Loans subject to adjustment by reason of unscheduled recoveries of principal on the Mortgage Loans. In any event, the Master Servicer is required to pay to the Trustee, as holder of the GNMA Certificate, monthly installments of not less than the interest due on the GNMA Certificate at the rate specified in the GNMA Certificate, together with any scheduled installments of principal, whether or not such interest or principal is collected from the Mortgagor, and any prepayments or early recovery of principal. Final payment is to be made upon surrender of the outstanding GNMA Certificate.

The Office of Inspector General (OIG) is required to conduct an annual audit of GNMA under the provisions of the Chief Financial Officers (CFO) Act of 1990 ("CFO Act"). The complete OIG report is included in the separate management report of GNMA prepared pursuant to the CFO Act which is available upon request from GNMA at Government National Mortgage Association, 451 Seventh Street, SW, Washington, D.C. 20410-9000.

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APPENDIX B-2

FREDDIE MAC AND THE FREDDIE MAC CERTIFICATES

General

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. Section 1451-1459. Freddie Mac's statutory purposes are to provide stability in the secondary market for residential mortgages, to respond appropriately to the private capital market, to provide ongoing assistance to the secondary market for residential mortgages (including mortgages on housing for low- and moderate-income families), and to promote access to mortgage credit throughout the United States by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. To fulfill these statutory purposes Freddie Mac purchases residential mortgages and mortgage-related securities from mortgage lenders, other mortgage sellers and securities dealers and finances these purchases with debt and equity securities. In addition Freddie Mac guarantees the timely payment of principal and interest on single-class and multiclass securities representing an undivided interest in mortgages and/or mortgage-related securities.

On June 3, 2019, Fannie Mae and Freddie Mac began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("**UMBS**"). The UMBS finance the same types of fixed-rate mortgages that back Fannie Mae Certificates and Freddie Mac Certificates and are guaranteed by either Fannie Mae or Freddie Mac depending upon which issues the UMBS. The UMBS have characteristics similar to Fannie Mae Certificates and Freddie Mac will offer investors the opportunity to exchange existing Freddie Mac Securities for "mirror" UMBS backed by the same loans as the existing securities.

Freddie Mac prepares an Information Statement annually which describes Freddie Mac, its business and operations and contains Freddie Mac's audited financial statements for the two most recent fiscal years ending prior to the date of such Information Statement. The current Information Statement, current prospectuses, any supplements to each of the foregoing and any quarterly report prepared and made available by Freddie Mac can be obtained by writing to Freddie Mac B Investor Inquiry, 8200 Jones Branch Drive, McLean, Virginia 22102 or accessing Freddie Mac's internet website at www.freddiemac.com.

Each Freddie Mac Certificate will represent undivided interests in a pool of fixed-rate, first-lien conventional Mortgage Loans or FHA and VA Loans, or participations interests therein. Freddie Mac guarantees to each holder of a Freddie Mac Certificate the timely payment of interest at the applicable coupon on the Freddie Mac Certificate and the timely payment of scheduled principal, whether or not Freddie Mac receives these payments on the underlying mortgages. Full and final payment of principal on the Freddie Mac Certificates will be made no later than the payment date occurring in the month of the Final Payment date for each Freddie Mac Certificate. Principal and interest payments on the Freddie Mac Certificates are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. Payments on Freddie Mac Certificates are made on the 15th day of each month or, if the 15th is not a business day, the next business day.

Freddie Mac receives monthly mortgage payments from it mortgage servicers during a Monthly Reporting Period that begins on the 16th of a month and ends on the 15th of the following month. For any month, a payment on a Freddie Mac Certificate will reflect monthly mortgage payments reported by servicers in the previous Monthly Reporting Period and prepayments reported by servicers in the calendar month prior to the payment up through the date Freddie Mac calculates its payment factors. Freddie Mac publishes its payment factors on or about the 5th day of each month.

The summary of the Freddie Mac Certificates does not purport to be comprehensive and is qualified in its entirety by reference to the Freddie Mac prospectuses and other documents relating to the offer and sale of Freddie Mac Certificates described herein.

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a website (http://www.sec.gov) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10- Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such web site. The SEC's website is not part of this Official Statement.

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APPENDIX B-3

FANNIE MAE AND THE FANNIE MAE CERTIFICATES

General

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

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage backed securities ("MBS"), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

On June 3, 2019, Fannie Mae and Freddie Mac began issuing new, common, single mortgage-backed securities, formally known as the Uniform Mortgage-Backed Security ("**UMBS**"). The UMBS finance the same types of fixed-rate mortgages that back Fannie Mae Certificates and Freddie Mac Certificates and are guaranteed by either Fannie Mae or Freddie Mac depending upon which issues the UMBS. The UMBS have characteristics similar to Fannie Mae Certificates and Freddie Mac will offer investors the opportunity to exchange existing Freddie Mac Securities for "mirror" UMBS backed by the same loans as the existing securities.

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the "SEC"). The SEC filings are available at the SEC’s website at http://www.sec.gov. The periodic reports filed by Fannie Mae with the SEC are also available on Fannie Mae’s website at http://www.fanniemae.com/portal/about-fm/investor-relations/quarterly-annual-results.html or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Reoffering Circular, so you should read this Reoffering Circular, and any applicable supplements or amendments, together with those documents before making an investment decision.

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any program, or compliance with any securities, tax or other laws or regulations.

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form l0-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a website (http://www.sec.gov) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form l0-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such website. The SEC's website is not part of this Official Statement.

Mortgage-Backed Securities Program

Fannie Mae is a federally chartered and stockholder-owned corporation organized and existing under the Federal National Mortgage Association Charter Act (12 U.S.C. Section 1716 et seq.). Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market, and was transferred into a stockholder-owned and privately managed corporation by legislation enacted in 1968. The Secretary of Housing and Urban Development exercises general regulatory power over Fannie Mae. Fannie Mae provides funds to the mortgage market by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing. In addition, Fannie Mae issues mortgage-backed securities primarily in exchange for pools of mortgage loans from lenders.

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

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

The terms of the MBS Program are governed by the Fannie Mae Selling and Servicing Guides (the " Fannie Mae Guides") published by Fannie Mae, as modified by the Pool Purchase Contract (as hereinafter described), and, in the case of mortgage loans such as the Mortgage Loans, a Trust Indenture dated as of November 1, 1981, as amended (the "Fannie Mae Trust Indenture"), and a supplement thereto to be issued by Fannie Mae in connection with each pool.

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

Pool Purchase Contract

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

The Pool Purchase Contract obligates the Servicer to service the mortgage loans in accordance with the requirements of the Fannie Mae Guides and the Pool Purchase Contract.

Fannie Mae Certificates

Each Fannie Mae Certificate will represent the entire interest in a specified pool of Mortgage Loans purchased by Fannie Mae from the Servicer and identified in records maintained by Fannie Mae.

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

Payments on Mortgage Loans; Distributions on Fannie Mae Certificates

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

For purposes of distributions, a Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of such Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. Fannie Mae may, in its discretion, include with any distribution principal prepayments, both full and partial, received during the month prior to the month of distribution but is under no obligation to do so.

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APPENDIX C

FORM OF PROPOSED OPINION OF BOND COUNSEL

[____________], 2020

Texas Department of Housing and
Community Affairs
221 East 11th Street
Austin, Texas 78701

The Bank of New York Mellon Trust Company,
N.A., as Trustee
10161 Centurion Parkway North
Jacksonville, Florida 32256

RBC Capital Markets, LLC
as Representative of the Underwriters
100 2nd Avenue South, Suite 800
St. Petersburg, Florida 33701

Ladies and Gentlemen:

We have acted as Bond Counsel to the Texas Department of Housing and Community Affairs (the "Department") in connection with the issuance of the Department's Single Family Mortgage Revenue Bonds, 2020 Series A (the "2020 Series A Bonds") and the Department's Single Family Mortgage Revenue Refunding Bonds, 2020 Series B (Taxable) (the "2020 Series B Bonds," and together with the 2020 Series A Bonds, the "Series 2020 Bonds"). The Series 2020 Bonds will bear interest from the date of delivery thereof. Interest on the 2020 Series A Bonds is payable on September 1, 2020, and semiannually on each March 1 and September 1 thereafter, and on any other date on which the 2020 Series A Bonds are subject to redemption, until maturity or prior redemption, and interest on the 2020 Series B Bonds is payable on July 1, 2020, and the first day of each month thereafter, and on any other date on which the 2020 Series B Bonds are subject to redemption, until maturity or prior redemption. The 2020 Series A Bonds are issuable only as fully registered bonds without coupons in denominations of $5,000 principal amount and any integral multiple thereof, and the 2020 Series B Bonds are issuable only as fully registered bonds without coupons in denominations of $1 principal amount and any integral multiple thereof. The Series 2020 Bonds are being issued in the principal amounts, bear interest at the rates and mature on the dates as provided in the Indenture mentioned below. The Series 2020 Bonds are subject to redemption prior to maturity on the dates, at the redemption prices and under the circumstances described in the Indenture.

The Series 2020 Bonds are being issued pursuant to a resolution adopted by the Governing Board of the Department on April 23, 2020 (the "Bond Resolution"), the Amended and Restated Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2017 (as amended and supplemented from time to time, the "Single Family Indenture"), between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the Sixty-Eighth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2020 (the "Sixty-Eighth Supplemental Indenture"), between the Department and the Trustee with respect to the 2020 Series A Bonds, and the Sixty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2020 (the "Sixty-Ninth Supplemental Indenture"), between the Department and the Trustee with respect to the 2020 Series B Bonds. The Sixty-Eighth Supplemental Indenture, the Sixty-Ninth Supplemental Indenture The Sixty-Eighth Supplemental Indenture and the Sixty-Ninth Supplemental Indenture are referred to herein collectively as the "2020 Supplemental Indentures," and the Single Family Indenture and the 2020 Supplemental Indentures are referred to herein collectively as the "Indenture." Capitalized terms not otherwise defined herein have the meanings assigned to such terms in the Indenture.

The 2020 Series A Bonds are being issued by the Department of providing funds to make and acquire qualifying Mortgage Loans through the purchase of Mortgage Certificates and paying a portion of the costs of issuance of the 2020 Series A Bonds. The 2020 Series B Bonds are being issued by the Department for the purpose of providing funds to refund its outstanding Single Family Mortgage Revenue Refunding Bonds, 2013 Series A (Taxable) (the "Refunded Bonds")

The Single Family Indenture permits the issuance of additional bonds on a parity with the Series 2020 Bonds upon the terms and conditions set forth in the Single Family Indenture. The Department reserves the right in the Single Family Indenture to issue other bonds of the Department under the Single Family Indenture for other programs similar to the program initially funded with the proceeds of the 2020 Series A Bonds and to refund bonds issued under the Single Family Indenture, and further reserves the right to issue bonds payable from the pledges and assignments in trust pursuant to the Single Family Indenture that are junior or subordinate to the Series 2020 Bonds, all as provided in the Single Family Indenture.

The scope of our engagement as Bond Counsel extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Series 2020 Bonds and the security therefor and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2020 Bonds, and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement). We have not assumed any responsibility with respect to the financial condition or capability of the Department or the disclosure thereof. In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certain proceedings pertaining to the Series 2020 Bonds, including certain certified and original proceedings of the Department and the State of Texas (the "State"), and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Department, the State, the Trustee and others. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. We have also examined executed Bond No. TR-1 of each series of the Series 2020 Bonds.

We have assumed without independent verification (i) the genuineness of certificates, records and other documents (collectively, "Documents") and the accuracy and completeness of the statements of fact contained therein; (ii) the due authorization, execution and delivery of the Documents by the other parties thereto; (iii) that all Documents submitted to us as originals are accurate and complete; (iv) that all Documents submitted to us as copies are true and correct copies of the originals thereof; and (v) that all information submitted to us and on which we have relied is accurate and complete.

In providing the opinions set forth herein, we have relied on representations of the Department, the Department's Financial Advisor, the Underwriters, the Servicer and the Mortgage Lenders, with respect to matters solely within the knowledge of the Department, the Department's Financial Advisor, the Underwriters, the Servicer and the Mortgage Lenders, respectively, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the procedures, safeguards and covenants in the Indenture. We have further relied on the report (the "Report") of Causey Demgen & Moore P.C., certified public accountants, regarding the mathematical accuracy of certain computations.

Based upon such examination and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that, under existing law:

1. The Department is a public and official governmental agency of the State, duly created and existing under the laws of the State, particularly Chapter 2306, Texas Government Code, as amended (together with other laws of the State applicable to the Department, the "Act"), and has full power and authority to adopt the Bond Resolution and to perform its obligations thereunder; to execute and deliver the 2020 Supplemental Indentures; to perform its obligations under the Indenture; and to issue and sell the

Series 2020 Bonds and to utilize the proceeds therefrom for the purposes set forth in the Bond Resolution and the Indenture.

2. The Department has duly adopted the Bond Resolution and has duly authorized, executed and delivered the 2020 Supplemental Indentures. The Indenture constitutes a legal, valid and binding obligation of the Department. Pursuant to the Indenture, all of the Department's right, title and interest in and to the Trust Estate, including the Revenues and other amounts to be received by the Department have been validly and effectively assigned and, upon receipt of such Revenues and amounts by the Trustee, pledged as security for the payment of the principal and redemption price of and interest on the Series 2020 Bonds. We draw your attention to the fact that the Series 2020 Bonds are secured on a parity basis with the Department's Single Family Variable Rate Mortgage Revenue Refunding Bonds, 2004 Series B; Single Family Variable Rate Mortgage Revenue Bonds, 2004 Series D; Single Family Variable Rate Mortgage Revenue Refunding Bonds, 2005 Series A; Single Family Variable Rate Mortgage Revenue Bonds, 2007 Series A; Single Family Mortgage Revenue Refunding Bonds, 2015 Series A (Taxable); Single Family Mortgage Revenue Bonds, 2015 Series B; Single Family Mortgage Revenue Bonds, 2016 Series A; Single Family Mortgage Revenue Refunding Bonds, 2016 Series B (Taxable); Single Family Mortgage Revenue Bonds, 2017 Series A; Single Family Mortgage Revenue Refunding Bonds, 2017 Series B (Taxable); Single Family Mortgage Revenue Bonds, 2017 Series C (Taxable); Single Family Mortgage Revenue Bonds, 2018 Series A; and Single Family Mortgage Revenue Bonds, 2019 Series A, all issued under the Single Family Indenture. The Department has also issued its Taxable Junior Lien Single Family Variable Rate Mortgage Revenue Bonds, Series 2004A, which are secured on a basis subordinate to the Series 2020 Bonds. The Department has also granted security interests on a subordinate basis to the swap providers and the liquidity providers for certain of the foregoing bonds.

3. The Department has duly authorized the issuance, execution and delivery of the Series 2020 Bonds. The authorized officers of the Department have duly executed the Series 2020 Bonds and the Trustee has duly authenticated the Series 2020 Bonds, to the extent required by the Indenture, and delivered the Series 2020 Bonds to or at the direction of the initial purchasers thereof. The Series 2020 Bonds constitute legal, valid and binding limited obligations of the Department and are entitled to the benefit and security of the Indenture.

4. The Series 2020 Bonds are issued pursuant to the provisions of the Act and constitute limited obligations of the Department and are payable solely from the revenues, funds and assets of the Department pledged under the Indenture and not from any other revenues, funds or assets of the Department. The Series 2020 Bonds are not and do not create or constitute in any way an obligation, a debt or a liability of the State, or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. The Department has no taxing power.

5. Interest on the 2020 Series A Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended.

6. Interest on the 2020 Series A Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of determining a taxpayer's alternative minimum tax liability.

We observe that the Department has taken no action to make interest on the 2020 Series B Bonds excludable from gross income for federal income tax purposes. Except as stated above, we express no opinion as to the amount of interest on the Series 2020 Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of the Series 2020 Bonds. In the event that the representations of the Department, the Department's Financial Advisor, the Underwriters, the Servicer and the Mortgage Lenders, upon which we have relied or the Report is determined to be inaccurate or incomplete or the Department, a Mortgage Lender or the Servicer fails to comply with the procedures, safeguards and covenants in the Indenture, interest on the 2020 Series A Bonds could become includable in gross income for federal income tax purposes from the date of original delivery thereof, regardless of the date on which the event causing such inclusion occurs.

The enforceability of certain provisions of the Series 2020 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore, the availability of equitable remedies under the Series 2020 Bonds may be limited by general principles of equity that permit the exercise of judicial discretion. Furthermore, the enforceability of any indemnification provisions contained in the Indenture may be limited by applicable securities laws and public policy.

The opinions set forth above speak only as of their date and only in connection with the Series 2020 Bonds and may not be applied to any other transaction. Such opinions are specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement these opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

Very truly yours,

APPENDIX D-1

ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES

The Texas Department of Housing and Community Affairs (the "Department") owns an extensive portfolio of mortgage loans (the "Portfolio Mortgage Loans") and GNMA/FNMA/Freddie Mac Certificates (Mortgage Certificates) acquired with the proceeds of the Department's Single Family Mortgage Revenue Bonds, Single Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bonds), Residential Mortgage Revenue Bonds, GNMA Collateralized Home Mortgage Revenue Bonds and Collateralized Home Mortgage Revenue Bonds. The following tables summarize certain information regarding Mortgage Certificates as of February 29, 2020.

Single Family Mortgage Revenue Bond Trust Indenture
1980 Trust Indenture

Bond Series	Original Issue Amount	Bonds Outstanding	Average Weighted Mortgage Rates for Outstanding Mortgage Certificates (%)	Mortgage Certificates Outstanding	Down Payment Assistance and Special Loans*
Surplus	$ -	$ -	4.88	$ 11,131,257	$ 97,527,837
2004 A, B	176,610,000	18,395,000	5.29	16,572,588	-
2004 C, D, E, F	175,070,000	12,425,000	5.08	11,516,878	-
2005 A	100,000,000	17,685,000	4.99	17,429,189	-
2007 A	143,005,000	17,900,000	5.88	20,982,323	-
2013 A	42,500,000	13,390,000	5.32	13,156,765	-
2015 A, B	53,695,000	29,860,000	5.38	29,117,544	-
2016 A, B	91,245,000	48,600,000	5.39	47,446,881	-
2017 A, B, C	133,700,952	109,841,617	4.59	110,771,046	-
2018 A	143,995,000	140,905,000	5.09	138,510,283	-
2019A	165,325,000	165,120,000	4.43	163,919,221	-
TOTAL	$ 1,225,145,952	$ 574,121,617		$ 580,553,975	$ 97,527,837

*Not included for cash flow purposes

Note Series	Original Notes Payable	Notes Outstanding
2018	$ 12,000,000	$ 12,000,000

1994 Junior Lien Indenture

Series	Original Issue Amount	Bonds Outstanding	Average Weighted Outstanding Mortgage Certificates (%)	Mortgage Certificates Outstanding
1994 A, B	$ 90,995,932	$ -	N/A	$ -
2004 A	4,140,000	3,855,000	N/A	-
TOTAL	$ 95,135,932	$ 3,855,000		$ -

Master Servicers—Single Family (including Junior Lien) Mortgage Certificates

Servicers	Percent of Mortgage Certificates Outstanding
Idaho HFA	67.71%
Bank of America	24.77%
US Bank	5.97%
CitiMortgage	1.04%
Texas Star	0.48%
Cenlar	0.03%
TOTAL	100.00%

APPENDIX D-2

BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

General - Single Family Since 1979, the year of creation of the Texas Housing Agency (the Agency), a predecessor to the Department, through February 29, 2020, there have been issued by the Agency or the Department, sixty-one series of Single Family Mortgage Revenue Bonds, four series of Junior Lien Single Family Mortgage Revenue Refunding Bonds, thirty-seven series of Residential Mortgage Revenue Bonds, eleven series of Collateralized Home Mortgage Revenue Bonds, ten series of GNMA/FNMA Collateralized Home Mortgage Revenue Bonds, and two series of Government National Mortgage Association Collateralized Home Mortgage Revenue Bonds. As of February 29, 2020, the aggregate outstanding principal amount of bonded indebtedness of the Department for single family housing purposes was $823,136,617. In addition to the single family bonds mentioned above, the Department has issued four subordinate Notes. As of February 29, 2020, the aggregate outstanding principal balance of the subordinate Notes was $22,000,000.

Single Family Mortgage Revenue Bonds (SFMRBs) The Department has issued sixty-one series of Single Family Mortgage Revenue and Refunding Bonds under a Single Family Mortgage Revenue Bond Trust Indenture, dated as of October 1, 1980, which was amended and restated on June 1, 2017. These bonds are secured on an equal and ratable basis by the trust estate established by the SFMRB Indenture. As of February 29, 2020, fourteen series were outstanding with an aggregate outstanding principal amount totaling $574,121,617. In addition to the SFMRBs mentioned above, the Department has issued three subordinate Notes with an outstanding balance of $12,000,000.

Junior Lien Bonds The Department has issued four series of its Junior Lien Single Family Mortgage Revenue Refunding Bonds (the Junior Lien Bonds) pursuant to a Junior Lien Trust Indenture, dated as of May 1, 1994. The Junior Lien Bonds are secured on an equal and ratable basis with each other and on a subordinated basis to the Single Family Mortgage Revenue Bonds by the trust estate held under the SFMRB Indenture. As of February 29, 2020, one series was outstanding with an aggregate outstanding principal of $3,855,000.

Residential Mortgage Revenue Bonds (RMRBs) The Department has issued thirty-seven series of Residential Mortgage Revenue and Refunding Bonds pursuant to the Residential Mortgage Revenue Bond Trust Indenture, and are secured on an equal and ratable basis by the trust estate established by the RMRB Indenture. As of February 29, 2020, five series were outstanding with an aggregate outstanding principal amount of $245,160,000. In addition to the RMRBs mentioned above, the Department has issued one subordinate Note Payable with an outstanding balance of $10,000,000.

General - Multifamily The Department is a conduit issuer for the State of Texas with authority to issue tax-exempt and taxable Multifamily Mortgage Revenue Bonds statewide. The Department and the Agency have issued two hundred and thirty-five Multifamily Mortgage Revenue Bonds which have been issued pursuant to separate trust indentures and are secured by individual trust estates which are separate and distinct from each other. As of February 29, 2020, seventy-two series were outstanding with an aggregate outstanding principal amount of $780,749,066. In addition to the bonds mentioned above, the Department has issued five Multifamily Notes Payable with an outstanding balance of $114,381,593.

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APPENDIX E

SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE

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THE TRUST INDENTURE

General

The Trust Indenture, which includes the Master Indenture and each of the supplements and amendments thereto relating to the Bonds, contains various covenants and security provisions, certain of which are summarized below. Reference should be made to the Trust Indenture, a copy of which may be obtained from the Department, for a full and complete statement of its provisions.

Funds and Accounts

The following Funds are established under the Trust Indenture: Mortgage Loan Fund; Revenue Fund; Debt Service Fund (and a Principal Account, an Interest Account, a Debt Service Reserve Account, a Swap Agreement Periodic Payment Account, and a Redemption Account therein); Expense Fund (and a Rebate Account therein); and Special Mortgage Loan Fund. The Funds and Accounts (except for the Principal Account, Interest Account, Swap Agreement Periodic Payment Account and Redemption Account of the Debt Service Fund which are held and invested by the Trustee and the Expense Fund which is held by the Department) are held by the Trustee and maintained and invested by the Texas Treasury Safekeeping Trust Company, a special purpose trust company organized under the laws of the State of Texas, as depository (the "Depository") under the Trust Indenture.

The 2020 Supplemental Indentures create an account for the Series 2020A Bonds and the Series 2020B Bonds, respectively, within each listed Fund, and a subaccount for the Series 2020A Bonds and the Series 2020B Bonds, respectively, within each listed Account except for the Special Mortgage Loan Fund, the Debt Service Reserve Account and the Swap Agreement Periodic Payment Account. Moreover, in connection with the Swap Agreements, the corresponding Supplemental Indentures each created a corresponding Swap Agreement Termination Payment Subaccount, Swap Agreement Periodic Receipt Subaccount and Swap Agreement Termination Receipt Subaccount within the Surplus Revenues Account of the Revenue Fund. The Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount are not pledged as security for the payment of principal of or interest on any Bonds. The accounts and subaccounts so created do not grant a priority of the Series 2020A Bonds or the Series 2020B Bonds over that of any other series of Bonds.

Mortgage Loan Fund

Amounts in the Mortgage Loan Fund will be used to pay the costs of acquiring the Mortgage Certificates, a portion of the costs of issuance of the Bonds, and any other fees and expenses incurred in connection with the acquisition of the Mortgage Certificates which are payable by the Trustee on behalf of the Department pursuant to any agreement with Mortgage Lenders, and the fees and expenses of the Trustee, the Department and any consultants to the Department. The 2020 A Mortgage Certificates will be deposited to the 2020 A Mortgage Loan Account. The 2020 B Transferred Mortgage Certificates will be deposited to the 2020 B Mortgage Loan Account.

Under certain circumstances, as required by the Trust Indenture, the Trustee, at the direction of the Department, is required to transfer amounts in the Mortgage Loan Fund to the Redemption Account to pay the principal of Bonds to be redeemed or to be purchased. To the extent other moneys are not available in any other fund or account, amounts in the Mortgage Loan Fund may be applied to the payment of principal or Redemption Price of and interest on the Bonds.

The Department has covenanted in the Trust Indenture that it will acquire, refinance or sell Mortgage Loans or Mortgage Certificates only if it has determined, on the basis of its most recent Statement of Projected Revenues, and other information available to it, that such action will not adversely affect the Department's ability to pay, when due, the principal or Redemption Price of and interest on the Bonds. See "SECURITY FOR THE BONDS – Certain Information as to Revenues, Investments, Debt Service and Department Expenses" and "– Statement of Projected Revenues" and APPENDIX F under the caption "THE PROGRAM AND THE MORTGAGE LOANS – Sale of Mortgage Certificates."

Expense Fund

Amounts in the Expense Fund (except for amounts in the Rebate Account therein) may be paid out from time to time by the Department for Department Expenses, taxes, insurance, foreclosure fees, including appraisal and legal fees, security, repairs and other expenses incurred by the Department in connection with the protection and enforcement of its rights in any Mortgage Loan and the preservation of the mortgaged property securing such Mortgage Loans. Excess amounts in the Expense Fund may be transferred to the Revenue Fund.

Funds on deposit in the Rebate Account are required to be periodically set aside to pay any amounts required to be rebated to the United States under applicable provisions of federal income tax law (the "Rebate Amount").

Revenue Fund

All Revenues are required to be deposited in the Revenue Fund promptly upon receipt by the Department. On the first day of each month, or as soon thereafter as possible, the Trustee is required to transfer from the Revenue Fund to the Expense Fund the amount, estimated by the Department, to be required to pay the Department Expenses during the next month together with the amount, if any, necessary to maintain or restore an operating reserve in the Expense Fund to the sum estimated in the Department's current annual budget to be required to pay two months' Department Expenses. The Trust Indenture requires the Department to estimate periodically the amounts necessary to pay the Rebate Amount and thus include such amounts in its monthly estimate of Department Expenses.

On or before each Interest Payment Date on the Bonds, the Trustee is required to transfer Mortgage Loan Principal Payments at the Department's direction to either the Principal Account, the Mortgage Loan Fund, or to the Redemption Account; provided, however, that all amounts representing Mortgage Loan Principal Payments shall be transferred to a Redemption Account and applied to the redemption of the respective Series of Bonds. The Trustee also must transfer from the Revenue Fund the other amounts on deposit therein representing investment earnings on Funds and Accounts and Mortgage Loan Interest Payments to the Debt Service Fund as follows: (i) to the Interest Account, to the extent required so that the balance in said account equals the amount of the interest which will be due and unpaid on such Interest Payment Date, (ii) to the Principal Account, to the extent required so that the balance in said account equals the amount of principal which will be due and unpaid on such Interest Payment Date, (iii) to the Debt Service Reserve Account, to the extent required so that the balance in such account equals the Debt Service Reserve Account Requirement, and (iv) to the Swap Agreement Periodic Payment Account to the extent required so that the balance in said account equals the Swap Agreement Periodic Payment which will be due and unpaid on such Interest Payment Date. Any amounts remaining in the Revenue Fund after such payments described above are made are deemed Surplus Indenture Revenues.

Surplus Indenture Revenues (with certain exceptions) are transferred to the Surplus Revenues Account of the Revenue Fund. If the Department has satisfied the requirements in the Trust Indenture, amounts in the Surplus Revenues Account are transferred on or before each Interest Payment Date or redemption date for the Junior Lien Bonds to the trustee under the Junior Lien Trust Indenture to the extent such amounts are needed to pay amounts due on the Junior Lien Bonds, to pay fees and expenses associated with the Junior Lien Bonds and to restore reserves and other accounts for such Junior Lien Bonds.

During such time as the Department is not meeting the Asset Test described in the next succeeding paragraph, the Department may only direct the Trustee to use Surplus Indenture Revenues as described under "SECURITY FOR THE BONDS – Statement of Projected Revenues."

The Department will be deemed to have met the Asset Test if (i) the Department shall have on file with the Trustee a Statement of Projected Revenues giving effect to a transfer and release proposed as described in the next succeeding paragraph projecting that available Revenues will be sufficient to pay Department Expenses and aggregate Debt Service on the Bonds, including Swap Agreement Periodic Payments, and debt service on any outstanding Junior Lien Bonds when due in the then-current and each succeeding Bond Year; (ii) as of the date of such Statement of Projected Revenues the Department Assets (including that portion of junior lien mortgage loans that are permitted to be included as Department Assets by each Rating Agency) are at least equal to one hundred two percent (102%) of the aggregate principal amount of Outstanding Bonds and any Junior Lien Bonds then outstanding; and (iii) amounts then on deposit in the Debt Service Reserve Account are at least equal to the Debt Service Reserve Account Requirement and amounts in the reserve fund for the Junior Lien Bonds are equal to the reserve fund requirement therefor.

At the end of any Bond Year, if the Department meets the Asset Test, the Department may direct the Trustee to transfer the Surplus Indenture Revenues (in excess of those required to be maintained under the Trust Indenture in order to permit the Department to continue to meet the Asset Test) to the trustee under the Junior Lien Trust Indenture to be used to originate mortgage loans as described in the Trust Indenture, to reimburse a bond insurer or credit provider for amounts provided under a bond insurance policy or other credit support or to originate junior lien mortgage loans, or the Department may apply such Surplus Indenture Revenues: (1) in any manner permitted during periods when the Department is not meeting the Asset Test, as described under "SECURITY FOR THE BONDS – Statement of Projected Revenues"; (2) (A) to the redemption of Bonds (and in the case of the Series 2020 Bonds, only on and after the optional redemption date); (B) to the payment of any Department Expenses; (C) to the establishment of reserves therefor, free and clear of the pledge and lien of the Trust Indenture; or (D) to the purchase of Bonds; and (3) any other purpose or payment authorized by the Act, free and clear of the pledge and lien of the Trust Indenture.

No Surplus Indenture Revenues may be applied in any way which would result in less than ninety percent (90%) of all amounts received by the Department with respect to the Mortgage Loans being used for the following purposes: (i) to pay the principal or Redemption Price of or interest on or purchase or otherwise to service the Bonds; (ii) to reimburse the Department for Department Expenses, or to pay for costs of issuance of the Bonds; (iii) to reimburse the Department, or to pay for administrative or other costs or anticipated future losses directly related to the Program; (iv) to acquire Mortgage Loans or other loans or mortgages financing residential real property in the State; and (v) to redeem or retire obligations of the Department

Debt Service Fund – Interest Account; Principal Account; Swap Agreement Periodic Payment Account; Redemption Account

The Trustee is required to pay out of the Interest Account by each Interest Payment Date the amount required for the interest payment on such date. The Trustee is required to pay out of the Principal Account by each principal installment due date, the amount required for the principal installment payable on such due date. By the redemption date for any Bonds, the Trustee is required to pay out of the Interest Account the amount required for the payment of interest on the Bonds to be redeemed. The Trustee is required to pay the Swap Agreement Periodic Payment out of the Swap Agreement Periodic Payment Account on each Interest Payment Date.

Amounts in the Principal Account with respect to any sinking fund redemption (together with amounts in the Interest Account with respect to accrued interest on the Bonds to be so redeemed) are required to be applied by the Trustee to pay the Redemption Price of the Bonds to be so redeemed. Amounts in the Redemption Account (together with amounts in the Interest Account with respect to accrued interest on the Bonds to be redeemed from the Redemption Account) shall be applied by the Trustee to pay the Redemption Price of the Bonds to be redeemed or may (subject to the provisions of any supplemental indenture), at the direction of the Department, be transferred to the Revenue Fund if notice of redemption has not been published or mailed or such amounts have not been committed to the purchase of Bonds. As soon as practicable after the 40th day preceding the redemption date, the Trustee shall proceed to call for redemption, by giving notice as provided in the Trust Indenture, Bonds in such amount as shall be necessary to exhaust as nearly as possible the amounts in the Redemption Account. In the event that any supplemental indenture establishes a "special sinking fund bond payment," amounts in the Redemption Account representing any such special sinking fund bond payment shall be used only for the purpose of redeeming or purchasing the special sinking fund Bonds for which such payments were established.

Upon any purchase or redemption, other than a sinking fund redemption, of Bonds of any series and maturity for which sinking fund installments have been established, there shall be credited toward each such sinking fund installment thereafter to become due a proportional amount of the total principal amount of such Bonds so purchased or redeemed, or may be credited otherwise at the direction of the Department upon satisfaction of certain conditions set out in the Trust Indenture. The Trustee, at any time at the direction of the Department, is required to apply amounts available in the Principal Account or the Redemption Account to pay the principal portion of Bonds which the Department may purchase at a price (excluding accrued interest to the purchase date but including any brokerage or other charges), no greater than the applicable Redemption Price of such Bonds.

The Department has covenanted that it will only purchase Bonds or redeem Bonds pursuant to an optional or special redemption, out of amounts in the Redemption Account, if it has determined, on the basis of its most recent Statement of Projected Revenues, and other information available to the Department, that such action will not adversely affect the ability of the Department to pay, when due, the principal or Redemption Price of and interest on the Bonds.

Debt Service Reserve Account

If on any Interest Payment Date for the Bonds, the amount in the Principal Account is less than the amount required to pay the principal and Redemption Price of Bonds then payable, or the amount in the Interest Account shall be less than the amount required to pay interest then due on the Bonds, the Trustee is required to apply amounts from the Debt Service Reserve Account to the extent necessary to eliminate the deficiency first in the Interest Account and second in the Principal Account. Any amount on deposit in the Debt Service Reserve Account prior to the monthly allocation from the Revenue Fund that is in excess of the Debt Service Reserve Requirement will, upon the request of the Department, be transferred to the Revenue Fund.

Whenever the amount in the Debt Service Reserve Account, together with the amounts in the Debt Service Fund is sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account may be transferred to the Debt Service Fund for credit to the Redemption Account and the Interest Account, as appropriate.

The Debt Service Reserve Account Requirement is three percent (3%) of the current balance of Mortgage Loans outstanding (for Mortgage Loans represented by Mortgage Certificates the requirement is zero percent (0%)).

Special Mortgage Loan Fund

As a result of the issuance of certain Series of Bonds, the Trust Indenture established the Special Mortgage Loan Fund as a separate fund pledged (unless withdrawn as described in the next paragraph) to and available for payment of Debt Service on the Bonds. In the event of any shortfall in funds available to pay any Debt Service on the Bonds, the Depository shall, upon the request of the Trustee, transfer to the Trustee from the Special Mortgage Loan Fund any amount necessary to provide sufficient funds to pay the amount then due and owing.

Moneys on deposit in the Special Mortgage Loan Fund may be withdrawn by the Department for the purpose of acquiring from mortgage lenders Special Mortgage Loans (including participations therein). Special Mortgage Loans are mortgage loans which otherwise meet the requirements of the Code, applicable to mortgage loans financed with the proceeds of qualified mortgage bonds, which bear interest at a rate of zero percent (0%) per annum, and for which principal amortizes over the term of the loan. Special Mortgage Loans may not satisfy all Mortgage Loan requirements for a Program under the Trust Indenture.

Withdrawals from Funds to Pay Debt Service

If on any Interest Payment Date on the Bonds, the amount in the Interest Account or the Principal Account shall be less than the amount required to be in such Account in order to make payments then due, the Trustee shall transfer from the following Funds and Accounts in the following order of priority the amount of such deficit and apply such amount to pay aggregate Debt Service as necessary: (i) Redemption Account, (ii) Mortgage Loan Fund, and (iii) Debt Service Reserve Account.

None of the following are deemed available under the Trust Indenture for the payment of Debt Service on Bonds: (i) moneys in the Redemption Account which are to be used to redeem Bonds as to which notice of redemption has been given or committed to the purchase of Bonds, (ii) moneys in the Mortgage Loan Fund which are to be used to acquire or refinance Mortgage Loans (or Mortgage Certificates) with respect to which the Department has entered into commitments with borrowers or Mortgage Lenders, or (iii) Mortgage Loans credited to the Mortgage Loan Fund. Prior to withdrawing any amounts from the Mortgage Loan Fund, the Department shall file with the Trustee a Statement of Projected Revenues giving effect to such withdrawal, which shall project Revenues sufficient to pay Department Expenses and Debt Service when due in the then-current and each succeeding Bond Year. If there is not sufficient amount in all Funds and Accounts to pay all required principal, interest and Redemption Price on all Bonds, the available amounts will be applied in accordance with the provisions of the Trust Indenture.

Investments

Moneys held in the Mortgage Loan Fund, the Revenue Fund and the Debt Service Fund are required to be invested and reinvested by the Trustee or by any Depository holding all or a portion of the moneys in such Funds, in accordance with instructions from the Department and moneys held in the Expense Fund are required to be invested and reinvested by the Department or by any Depository holding all or a portion of the moneys in such Fund, in accordance with instructions from the Department, to the fullest extent practicable and if permitted by the Act, in Investment Securities (or certificates of deposit or time deposits) the principal of which the Department estimates will be received not later than such times as will be necessary to provide moneys when needed for payments to be made from each such Fund. See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company."

Interest earned from investing any moneys in any Fund or profits realized from any investments in such Fund are required to be retained in such Fund until it contains the amount required by the Trust Indenture to be deposited therein; thereafter such earnings and profits, net of any losses (except that which represents a return of accrued interest paid in connection with the purchase by the Department, the Trustee or any Depository of any investment or as otherwise provided in a Supplemental Indenture), are required to be transferred to the Revenue Fund. In computing the amount in any Fund or Account created under the provisions of the Trust Indenture for any purpose provided in the Trust Indenture, obligations purchased as an investment of moneys therein must be valued at their amortized value, computed as prescribed in the Trust Indenture.

Other Department Covenants

Prior to the beginning of each Bond Year the Department shall prepare and file with the Trustee an annual budget for the ensuing Bond Year. The Department may not expend any amount from the Expense Fund for Department Expenses for such year in excess of the amounts provided therefor in the annual budget as originally adopted or as amended. The Department shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions in accordance with generally accepted accounting principles. The Department shall annually, within 150 days after the close of each Bond Year, file with the Trustee, and otherwise as provided by law, a copy of an annual report for such year, accompanied by an accountant's certificate, including the following statements in reasonable detail: a statement of financial position as of the end of such year; a statement of Revenues and Department Expenses; and a summary, with respect to each Fund and Account established under the Trust Indenture of the receipts therein and disbursements therefrom during such year and the amounts held therein at the end of such year. The Department shall at all times appoint, retain and employ competent personnel for the purpose of carrying out the Program and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges, and all persons employed by the Department shall be qualified for their respective positions.

Events of Default

Each of the following events is an "Event of Default" under the Trust Indenture: (i) default in the due and punctual payment of the principal or Redemption Price of any Bond when due; (ii) default in the due and punctual payment of any installment of interest on any Bond or any sinking fund installment when due and the continuance of such default for a period of 30 days; (iii) default by the Department in the performance or observance of any other of its covenants, agreements, or conditions in the Trust Indenture or in the Bonds, and the continuance of such default for a period of 60 days after written notice thereof to the Department by the Trustee or to the Department and to the Trustee by the owners of not less than ten percent (10%) in principal amount of the Bonds Outstanding; or (iv) the commencement of various proceedings involving the Department in bankruptcy or seeking reorganization, arrangement, readjustment or composition of its debts or for any other relief under the federal bankruptcy laws or under any other insolvency act or law, state or federal, now or hereafter existing, or seeking the involuntary appointment of a receiver or trustee of the Department or for all or a substantial part of its property, and unless commenced by or consented to by the Department, their continuation for 90 days undismissed or undischarged.

Bondholders' Rights in the Event of Default

Acceleration. If an Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, must, by written notice delivered to the Department, declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable; subject, however, to the right of the owners of more than fifty percent (50%) in aggregate principal amount of the Bonds then Outstanding, by written notice to the Department and to the Trustee, to annul such declaration and destroy its effect at any time if all Events of Default, other than those arising from nonpayment of principal or interest due solely as a result of such acceleration, have been cured. Such annulment will not extend to nor affect any subsequent Event of Default nor impair or exhaust any right or power consequent thereon.

Other Actions by Trustee. If any Event of Default occurs and is continuing, then the Trustee may and, upon the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction, must: (i) by mandamus or other suit, action or proceeding at law or in equity require the Department to perform its covenants, representations and duties under the Trust Indenture; (ii) bring suit upon the Bonds; (iii) by action or suit in equity require the Department to account as if it were the trustee of an express trust for the owners of the Bonds; (iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds; or (v) take such other steps to protect and enforce its rights and the rights of the owners of the Bonds, whether by action, suit or proceeding in aid of the execution of any power granted in the Trust Indenture or for the enforcement of any other appropriate legal or equitable remedy.

Judicial Proceedings. If any Event of Default occurs and is continuing, then the Trustee may, and upon written request by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, must, proceed by suit or suits, at law or in equity or by any other appropriate legal or equitable remedy, to enforce payment of the principal of and interest on the Bonds under a judgment or decree of a court or courts of competent jurisdiction or by the enforcement of any other appropriate legal or equitable remedy, as the Trustee deems most effectual to protect and enforce any of its rights or the rights of the owners of the Bonds under the Trust Indenture.

Application of Proceeds

The proceeds received by the Trustee in case of an Event of Default, together with all securities and other moneys which may then be held by the Trustee as a part of the Trust Estate, are required to be applied in order, as follows:

(a) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee;

(b) to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(i) unless the principal of all the Bonds shall have become or have been declared due and payable, to the payment to the persons entitled thereto of: first, all installments of interest then due, including Swap Agreement Periodic Payments then due, in order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installments maturing on the same date or Swap Agreement Periodic Payments then due, then to the payment thereof ratably, according to the amounts due thereon, without any discrimination or preference; and second, the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, without any discrimination or preference;

(ii) if the principal of all the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, including Swap Agreement Periodic Payments then due and unpaid, without preference or priority of principal over interest or of interest over principal, including, in each case, Swap Agreement Periodic Payments, or of any installment of interest over any other installment of interest, including Swap Agreement Periodic Payments or of any Bond over any other Bond ratably, according to the amounts due respectively for principal and interest, including Swap Agreement Periodic Payments, to the persons entitled thereto without any discrimination or preference;

(c) to the payment of Swap Agreement Termination Payments but only to the extent that the amount available shall be sufficient to pay the principal or Redemption Price of and interest on any Junior Lien Bonds then due and payable prior to the payment of any amount in satisfaction of Swap Agreement Termination Payments; and

(d) to the payment of the amounts required for reasonable and necessary Department Expenses allocable to the Bonds, the Trust Indenture or the Program.

The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office located in Jacksonville, Florida, serves as the Trustee for the Bonds issued under the Trust Indenture, including the Series 2020 Bonds. The Trustee is required to be removed if so requested by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Department. The Trustee may also resign. In either event, a successor is required to be appointed.

Supplemental Indentures without Consent of Bondholders

For any one or more of the following purposes and at any time or from time to time, a supplemental indenture of the Department may be adopted, which, upon filing with the Trustee a copy thereof, certified by an authorized officer of the Department, shall be fully effective in accordance with its terms: (i) to authorize Bonds of a Series and to specify the matters relative to such Bonds which are not contrary to or inconsistent with the Trust Indenture; (ii) to close the Trust Indenture against, or provide limitations on, the delivery of Bonds; (iii) to add to the covenants of the Department in the Trust Indenture; (iv) to add to the restrictions in the Trust Indenture other restrictions to be observed by the Department which are not inconsistent with the Trust Indenture; (v) to confirm the subjection to any lien or pledge created by the Trust Indenture of the Trust Estate or any other moneys; (vi) to modify any of the provisions of the Trust Indenture in any other respect, effective only after all Bonds of any Series Outstanding at the date of the adoption of such supplemental indenture shall cease to be Outstanding; (vii) to amend the Trust Indenture to permit its qualification under the Trust Indenture Act of 1939 or any state blue sky law; or (viii) to surrender any right conferred upon the Department by the terms of the Trust Indenture, provided that the surrender of such right is not inconsistent with the covenants of the Department contained in the Trust Indenture.

For any one or more of the following purposes and at any time or from time to time, a supplemental indenture may be adopted with the consent of the Trustee: (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Trust Indenture; (ii) to insert such provisions clarifying matters or questions arising under the Trust Indenture as are necessary or desirable and are not contrary to or inconsistent with the Trust Indenture as theretofore in effect; or (iii) to provide for additional duties of the Trustee in connection with the Trust Estate, the Mortgage Loans or the Program.

Amendment of Indenture with Consent of Bondholders

Any modification or amendment of the Trust Indenture and of the rights and obligations of the Department and of the owners of the Bonds and coupons thereunder, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in the Trust Indenture (i) of the owners of at least 2/3 in aggregate principal amount of the Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the owners of at least 2/3 in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the owners of at least 2/3 in aggregate principal amount of the Bonds of the particular Series and maturity entitled to such sinking fund installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain

Outstanding, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under these provisions.

No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds of which the consent of the owners is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any fiduciary without its written assent thereto. For the purposes of the Trust Indenture, a Series is deemed to be affected by a modification or amendment of the Trust Indenture if the same adversely affects or diminishes the rights of the owners of the Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Trust Indenture and any such determination shall be binding and conclusive on the Department and all owners of Bonds.

Defeasance

If the Department shall pay or cause to be paid, or there shall otherwise be paid, to the owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Trust Indenture, then the pledge of the Trust Estate under the Trust Indenture and all covenants, agreements and other obligations of the Department to the Bondholders, shall thereupon terminate.

Bonds or interest installments for the payment or redemption of which moneys shall be held in trust by the Trustee or the Paying Agents at the maturity or redemption date thereof shall be deemed to have been paid within the meaning of the Trust Indenture. In addition, all Outstanding Bonds of any Series shall be deemed to have been paid within the meaning of the Trust Indenture if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Department shall have given to the Trustee irrevocable instructions to give notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee or Paying Agents at the same time shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not be redeemed within the next succeeding 60 days, the Department shall have given the Trustee irrevocable instructions to give a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee or the Paying Agents and that said Bonds are deemed to have been paid in accordance with the Trust Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

If there are Junior Lien Bonds outstanding at the time all Bonds are defeased, all moneys or securities held by the Trustee and not required for the payment of principal or Redemption Price and interest on the Bonds shall be transferred to the trustee under the Junior Lien Trust Indenture.

Depositories

The Department may appoint one or more depositories to hold all or a designated portion of the moneys and investments subject to the lien and pledge of the Trust Indenture. Any depository appointed by the Department must be: (i) the Texas Treasury Safekeeping Trust Company; or (ii) a bank, trust company, a national banking association, a savings and loan association, savings bank, or other banking institution or association selected by the Department. See "APPENDIX F – SUMMARY OF INFORMATION

REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company."

All moneys and securities deposited with any Depository under the provisions of the Trust Indenture are required to be held in trust for the Trustee or the Department, as applicable, and the owners of the Bonds, and may not be applied in any manner that is inconsistent with the provisions of the Trust Indenture. Each Fund or Account held by the Depository shall be a trust fund for purposes of the Trust Indenture.

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APPENDIX F

SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS

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THE PRIOR BONDS

In addition to the Series 2020 Bonds to be issued, multiple series of Prior Bonds have been issued pursuant to the Trust Indenture. As of February 29, 2020, $574,121,617 in aggregate principal amount of such Prior Bonds were Outstanding in the following principal amounts:

Series	Original Issue Amount	Bonds Outstanding
2004 A/ B	$ 176,610,000	$ 18,395,000
2004 C/ D/ E/ F	175,070,000	12,425,000
2005 A	100,000,000	17,685,000
2007 A	143,005,000	17,900,000
2013 A	42,500,000	13,390,000
2015 A/ B	53,695,000	29,860,000
2016 A/ B	91,245,000	48,600,000
2017 A/ B / C	133,700,952	109,841,617
2018 A	143,995,000	140,905,000
2019 A	165,325,000	165,120,000
TOTAL	$ 1,225,145,952	$ 574,121,617

For a more detailed description of the Prior Bonds, please refer to "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS."

PRIOR MORTGAGE CERTIFICATES

Mortgage Certificates currently held under the Single Family Mortgage Revenue Bond Program are as follows:

Prior Mortgage Loans and Mortgage Certificates:	
Ginnie Mae	$ 547,923,074
Fannie Mae	30,278,388
Freddie Mac	2,352,513
TOTAL	580,553,975

For additional information regarding the Mortgage Certificates acquired with proceeds of the Prior Bonds, please refer to "APPENDIX D-1 -- ADDITIONAL INFORMATION CONCERNING MORTGAGE CERTIFICATES." Unless otherwise specified, all information is as of February 29, 2020.

Junior Lien Bonds

In addition to the Prior Bonds, the Department has issued $105,135,932 in original principal amount of its Junior Lien Bonds. As of February 29, 2020, $3,855,000 of such bonds remain outstanding. For additional information on the Junior Lien Bonds, see "APPENDIX D-2 BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS." Revenues under the Trust Indenture only become Surplus Indenture Revenues available to be released to pay debt service on the Junior Lien Bonds to the extent such revenues are, on any March 1 or September 1 or other date on which such debt service is payable, in excess of one hundred percent (100%) of (i) all Debt Service on the Bonds, including Swap Agreement Periodic Payments, (ii) amounts required to fund reserves for the Bonds, and (iii) all expenses of the Department in administering the programs related to the Bonds. See "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE – Revenue Fund."

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

The Department has entered into a Depository Agreement relating to the Bonds (as amended and supplemented, the "Depository Agreement"), by and among the Department, the Trustee, and the Texas Treasury Safekeeping Trust Company, a special-purpose trust company organized under the laws of the State of Texas (the "Trust Company"). Pursuant to the Depository Agreement, the Trust Company will hold all moneys and securities required to be credited to all Funds (other than the Principal Account, Interest Account, Swap Agreement Periodic Payment Account and Redemption Account of the Debt Service Fund, and the Expense Fund). All money and securities required by the Trust Indenture to be credited to such Funds and Accounts are required to be remitted to the Trust Company from time to time by the Department and the Trustee. The Trust Company is required to remit amounts from the appropriate accounts held by it to the Trustee at such times as are necessary to pay the principal or Redemption Price of and interest on the Bonds when due. Moneys held in the accounts held by the Trust Company are required to be invested by the Trust Company pursuant to instruction from the Department as described under "APPENDIX E – SUMMARY OF INFORMATION REGARDING THE TRUST INDENTURE – Investments." The Trust Company is required to hold all moneys and securities delivered to it under the Depository Agreement in trust for the benefit of the Department, the Trustee and the owners of the Bonds.

The Department has agreed to pay the Trust Company a fee for performing its duties under the Depository Agreement. The Department has the right to remove the Trust Company as Depository under the Depository Agreement at any time by filing a written notice with the Trustee and the Trust Company to that effect. The Trust Company may resign as Depository under the Depository Agreement by giving at least 60 days' written notice to the Department and the Trustee of its determination to resign. Upon any such removal or resignation, the Trust Company is required to deliver all moneys and securities held by it under the Depository Agreement to its successor thereunder, or, if there is no successor, to the Trustee.

LEGALITY FOR INVESTMENT

The Act provides that all obligations issued by the Department are legal and authorized investments for banks, savings banks, trust companies, savings and loan associations, insurance companies, fiduciaries, trustees, guardians, and the sinking and other public funds of the State, municipalities, counties, school districts, and other political subdivisions and public agencies of the State.

The Act also provides that all obligations issued by the Department are eligible and lawful security for all deposits of public funds of the State and all public agencies to the extent of the par or market value thereof, whichever is greater.

To the extent that the Series 2020 Bonds constitute "collateralized mortgage obligations that have a stated final maturity of greater than 10 years" within the meaning of the Texas Public Funds Investment Act, the Series 2020 Bonds are not an "authorized investment" for a state agency, a local government, or other investing entity subject to the provisions of the Public Funds Investment Act.

No representation is made that the Series 2020 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The Department has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Series 2020 Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Series 2020 Bonds for such purposes.

DTC AND BOOK-ENTRY

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2020 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' Records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2020A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. If the Series 2020B Bonds are to be redeemed in part, each of the Series 2020B Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of such Series 2020B Bonds to the aggregate Outstanding principal amount of all Outstanding Series 2020B Bonds, notwithstanding any provisions of the Indenture to the contrary. To effect this pro rata redemption while the Series 2020B Bonds are held in the book-entry-only system, such redemption is to be made as a "Pro-Rata Pass-Through Distribution of Principal" by DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Department or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Department, or the Trustee.

The Department, the Underwriters and the Trustee cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2020 Bonds (i) payments of principal of or interest and premium, if any, on the Series 2020 Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in Series 2020 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2020 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

NEITHER THE DEPARTMENT, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE SERIES 2020 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2020 BONDS; (4) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO OWNERS OF SERIES 2020 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2020 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS A BONDHOLDER.

Discontinuation of Book-Entry Only System

In the event that the book-entry-only system is discontinued by DTC or the Department, the following provisions will be applicable to the Series 2020 Bonds. Series 2020 Bonds may be exchanged for an equal aggregate principal amount of Series 2020 Bonds in other Authorized Denominations of the same Series and maturity upon surrender thereof at the applicable corporate trust office of the Trustee with a duly executed assignment in form satisfactory to the Trustee. The transfer of any Series 2020 Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender of such Series 2020 Bond to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or transfer of registration of Series 2020 Bonds, the Department or the Trustee may make a charge sufficient to reimburse it or them for any tax, fee, or other governmental charge required to be paid with respect to such exchange or registration of transfer, as well as the administrative expenses, if any, charged by the Trustee for the transfer or exchange. The Trustee will not be required to transfer or exchange any Series 2020 Bond for a period of 20 days next preceding an interest payment date on such Series 2020 Bonds or next preceding any selection of Series 2020 Bonds to be redeemed or thereafter until after mailing of any notice of redemption on any Series 2020 Bonds called for redemption, or transfer or exchange any Series 2020 Bonds called for redemption. The Department and the Trustee may treat the Person in whose name a Series 2020 Bond is registered as the absolute owner thereof for all purposes, whether such Series 2020 Bond is overdue or not, for the purpose of receiving payment of, or on account of the principal of, interest on, such Series 2020 Bond. If any Series 2020 Bond is not presented for payment when the principal or the Redemption Price therefor becomes due, and if moneys sufficient to pay such Series 2020 Bond (or the portion thereof called for redemption) or such interest, as is applicable, have been deposited under the Trust Indenture, all liability of the Department to the owner thereof for the payment of such Series 2020 Bonds (or portion thereof) or such interest, as applicable, will be discharged, and thereupon it shall be the duty of the Trustee to hold such money for the benefit of the owner of the applicable Series 2020 Bond, who will thereafter be restricted exclusively to such money, for any claim on his part under the Trust Indenture or on or with respect to, such principal, Redemption Price and/or interest. Money not claimed within three years will be turned over to the Comptroller of Public Accounts of the State of Texas (the "Comptroller"), in accordance with Title 6, Texas Property Code.

THE PROGRAM AND THE MORTGAGE LOANS

The Department has established a Single Family Mortgage Revenue Bond Program ("Program") pursuant to the Act for the purpose of assisting in financing the costs of acquisition of residences within the State of Texas by Eligible Borrowers (as described below). The component of the Program relating to the Series 2020 Bonds has been designated as the Department's Bond Program No. 95 ("Program 95"). In connection with the issuance of the Series 2020A Bonds and the Prior Bonds and any additional Bonds, the Department purchased or shall purchase certain qualified Mortgage Loans (or participations therein) or Mortgage Certificates backed by Mortgage Loans originated by commercial banks, savings and loan associations, mortgage companies, non-profit corporations, and other qualified financial institutions (the "Mortgage Lenders"). As a result of the issuance of the Series 2020A Bonds, the Trustee on behalf of the Department has agreed to purchase 2020 A Mortgage Certificates.

General

The guidelines adopted by the Department from time to time in connection with the Program establish the eligibility of lenders to participate in the Program, time limitations with respect to commitments for and originations of Mortgage Loans, the types of Mortgage Loans eligible for purchase by the Servicer, the eligibility of mortgagors, the requirements for dwellings which secure Mortgage Loans, the fees which a Mortgage Lender may charge to originate a Mortgage Loan, the fees which a lending institution may charge for servicing a Mortgage Loan, as well as other aspects of the Program. In connection with each phase of the Program, the Department and the respective Mortgage Lenders executed origination, sale and servicing agreements or mortgage origination agreements and program supplements or program guidelines (collectively, the "Agreement"). The Agreement obligated or will obligate the Mortgage Lenders to use their best efforts to originate and sell to the Department Mortgage Loans in conformity with the guidelines. Each Mortgage Loan will be reviewed, prior to acquisition, by the Compliance Agent designated by the Department for compliance with applicable provisions of the Program as set forth in the guidelines and with applicable provisions of federal income tax laws. The procedures set forth in the Agreement are established by the Department after consideration of standards and requirements customary in the secondary mortgage market. The Department anticipates that it may revise its procedures from time to time to conform with changes in the procedures followed by Fannie Mae, RHS, Ginnie Mae, VA, or other major secondary mortgage market institutions.

Down Payment Assistance

The Department expects that funds made available through the issuance of the Series 2020A bonds will be used to originate and pool Mortgage Loans accompanied by a DPA Loan ("Assisted Option") that provides funds for down payment and closing cost assistance in the form of a 0%, non-amortizing, 30-year second loan that is due on sale or refinance. Mortgage Loans originated through the Assisted Option are expected to receive two, three, or four points of down payment and closing cost assistance. The Department reserves the right to modify the down payment assistance options available through the Program at any time.

Mortgage Lender Reservations – First Come, First-Served

No funds made available through Program 95 will be allocated to any specific Mortgage Lenders. Rather, all of such funds will be made available to Mortgage Lenders on a controlled first-come, first-served basis.

Low Income Reservation

For the first one year period of Program 95 (or such longer period as determined by the Department), the Department is requiring that thirty percent (30%) of the funds made available through the issuance of the Series 2020A Bonds be set aside for Mortgage Loans for individuals and families not exceeding eighty percent (80%) of applicable median family income ("AMFI").

Since October 1, 2016, approximately 67% of the Mortgage Loans originated by the Department that were eligible for inclusion in a tax-exempt bond issue and were securitized into Ginnie Mae Certificates were made to borrowers at or below 80% of AMFI.

Low and Moderate Income Reservation

The remaining lendable funds will be made available for Mortgage Loans to Eligible Borrowers of low and moderate incomes whose family income does not exceed, for families of three persons or more, one hundred fifteen percent (115%) (one hundred forty percent (140%) in targeted areas) of AMFI, and, for individuals and families of one or two persons, one hundred percent (100%) (one hundred twenty percent (120%) in targeted areas) of AMFI.

Eligible Borrowers

Each Mortgage Loan is required to be made to a person whose family income does not exceed certain income limits. In addition, to be eligible for a Mortgage Loan an applicant must be a person: (i) who intends to occupy the residence to be financed with such Mortgage Loan as his or her principal residence within a reasonable period; (ii) who, except in the case of certain targeted area loans, certain exception loans hereinafter described, and certain homes falling into the Contract for Deed Exception, has not had a present ownership interest in a principal residence at any time during the three-year period preceding the date of execution of the Mortgage; and (iii) who has not had an existing mortgage on the residence (other than a mortgage falling into the Contract for Deed Exception) to be financed with such Mortgage Loan at any time prior to the execution of the Mortgage, other than certain permitted temporary financing mortgages. The Department, subject to the requirements of applicable provisions of federal income tax law and applicable regulations, may approve a limited number of exception loans that do not satisfy the requirement described in clause (ii) in the immediately preceding sentence. The maximum income for Eligible Borrowers varies according to family size and location.

Eligible Property

Each residence financed with a Mortgage Loan must consist of real property and improvements permanently affixed thereon which is located within the State of Texas. Each residence must be a single-family, owner-occupied attached or detached structure, a single-family condominium unit or a single unit in a planned unit development ("PUD") or a single unit in a qualifying duplex, triplex, or four-plex. Each residence financed with a Mortgage Loan must have an acquisition cost (the "Maximum Acquisition Cost") not exceeding certain acquisition cost limits established by the Department from time to time. The Maximum Acquisition Cost varies according to location.

Mortgage Loans

The Department is not permitted under the Trust Indenture to sell, assign, transfer, or otherwise dispose of any Mortgage Loan or any of the rights of the Department with respect to any Mortgage Loan unless the Department determines that such action is in the best interests of the Department and the Bondholders and will not adversely affect the ability of the Department to pay when due the principal or Redemption Price of and interest on the Bonds, in which case such Mortgage Loan may be so disposed of by the Department free and clear of the lien of the Trust Indenture. See "Sale of Mortgage Certificates."

The Department shall not consent or agree to or permit any amendment or modification of any Mortgage Loan which will in any manner materially impair or materially adversely affect the rights or security of the Bondholders under the Trust Indenture in such Mortgage Loan.

Compliance with Tax Law and Program Guidelines

Each Mortgage Lender was required or will be required to follow certain procedures in the origination of Mortgage Loans to insure compliance with the mortgage eligibility requirements of applicable federal income tax laws and other requirements applicable to the Mortgage Loans. These procedures will include, but may not be limited to, the following: (i) obtaining affidavits of the borrower and seller and certificates of lender, providing and certifying certain information regarding borrower income, home acquisition cost, and other loan information; (ii) reviewing the contents of the affidavits and certificates with the persons executing them prior to the execution thereof; (iii) except in the case of certain targeted area loans or certain other exception loans, obtaining signed or certified copies of the borrower's federal income tax returns or federal tax transcripts for the preceding three years to verify that the borrower did not claim deductions for taxes or interest on indebtedness with respect to real property constituting his or her principal residence or a borrower's affidavit that he or she was not required to file such a return during one or more of the preceding three years; (iv) performing such additional investigations as may be appropriate under the circumstances to verify that the requirements of applicable federal income tax laws are satisfied as of the date of the execution of the Mortgage; (v) reviewing the draft settlement statement to assure that all fees and charges and settlement and financing costs comply with the applicable requirements; (vi) carrying out such additional verification procedures as may be reasonably requested by the Department, its designated compliance agent, or the Trustee. If any Mortgage Loan fails to meet the guidelines established by the Department, the originating Mortgage Lender will be required to correct such failure within a reasonable time after such failure is discovered by either repurchasing the non-qualifying Mortgage Loan in full or by replacing the non-qualifying Mortgage Loan with a Mortgage Loan which meets the applicable requirements.

Servicing

The Master Servicer may deduct its servicing fees directly from amounts received on such Mortgage Loans. As compensation for its duties as servicer of Mortgage Loans, the Master Servicer will be entitled to receive a monthly servicing fee.

Servicing of the Mortgage Loans is required to be carried out in accordance with generally accepted practices in the mortgage lending industry and in accordance with the servicing standards set forth in the GNMA Guide, Freddie Mac Guide or the Fannie Mae Guides, as applicable. In particular, the Master Servicer will be required to pursue collection on the applicable Mortgage Loans with prudence and diligence, manage foreclosure or assignment procedures, and file, process and receive the proceeds from

FHA mortgage insurance, VA or RHS guaranty claims, or private mortgage insurance. All proceeds received by the Master Servicer with respect to a Mortgage Loan included in a GNMA Certificate must be deposited into the GNMA Issuer's Primary Custodial Account and administered by the Master Servicer and the GNMA Paying Agent as more fully described herein in "APPENDIX B-1 - GNMA AND THE GNMA CERTIFICATES."

The Master Servicer, as servicer of the Mortgage Loans, must provide to the Department and such other person specified in a Supplemental Indenture, audited financial statements on an annual basis and monthly reports relating to Mortgage Loan originations and purchases. The Master Servicer may not resign from its servicing duties unless it is determined that its duties are no longer permissible under applicable laws and then only upon the assumption of the servicing duties by a successor servicer acceptable to FHA, VA, Ginnie Mae, Freddie Mac, Fannie Mae and the Department. In the event the Master Servicer is in material breach of its servicing obligations imposed by Ginnie Mae, Freddie Mac, Fannie Mae or the Department or a material adverse change has occurred in the financial condition of the Master Servicer, the Department, with the approval of Ginnie Mae, Freddie Mac, and Fannie Mae, may terminate the Master Servicer's servicing rights and transfer and assign those rights to another Fannie Mae-, Freddie Mac-, and Ginnie Mae-approved servicer.

The Master Servicers

Idaho Housing and Finance Association ("Idaho HFA") will serve as Master Servicer of Mortgage Loans related to the Series 2020A Bonds. As of February 29, 2020, Idaho HFA participates as Master Servicer for the Department for approximately 2,346 Mortgage Loans financed with the proceeds of the Prior Bonds, which Mortgage Loans had an outstanding principal balance of $393,071,848.

Under the terms of the servicing agreement relating to the Series 2020 Bonds (the "Servicing Agreement"), the Department may terminate the Servicing Agreement without cause upon 120 days advance written notice to the Idaho HFA. The Department may terminate the Servicing Agreement (subject to any applicable cure period) upon the occurrence of certain events. The Servicing Agreement has an approximately one year initial term with up to three one-year extensions as mutually agreed. If the Department terminates the Servicing Agreement for cause, then all power of the Idaho HFA under the Servicing Agreement shall be vested in the substitute Master Servicer.

If the Department terminates the Servicing Agreement for cause pursuant to its terms, the Idaho HFA shall, consistent with GNMA and Fannie Mae or Freddie Mac standards, make a full accounting and transfer and deliver to the Department, or its designee, all documents and moneys relating to the eligible mortgage loans which are then in the Idaho HFA's possession or under its custody or control, and thereupon all rights and duties of the Idaho HFA and its rights to further compensation shall cease.

The Texas State Affordable Housing Corporation ("TSAHC") is the Master Servicer for various Mortgage Loans financed pursuant to the Trust Indenture. Texas Star Mortgage ("TSM") is the registered business name of TSAHC and is a non-profit mortgage banking company engaging in single and multi-family lending to targeted rural and under-served areas in Texas. As of February 29, 2020, TSM participates as Master Servicer for the Department for approximately 137 Mortgage Loans financed with the proceeds of the Prior Bonds, which Mortgage Loans had an outstanding principal balance in the amount of $2,798,709.

As of February 29, 2020, CitiMortgage, Inc. participates as Master Servicer for the Department for approximately 222 Mortgage Loans financed with the proceeds of the Prior Bonds, which Mortgage Loans had an outstanding principal balance of $6,009,125. CitiMortgage recently sold servicing rights to Cenlar FSB for 12 Mortgage Loans, which Mortgage Loans had an outstanding principal balance of $199,340 (not inclusive in Mortgage Loans currently serviced by CitiMortgage).

Bank of America, N.A. ("Bank of America") is the Master Servicer for various Mortgage Loans, including the Mortgage Loans underlying the Refunded Bonds, financed pursuant to the Trust Indenture. As of February 29, 2020, Bank of America participates as Master Servicer for the Department for approximately 2,256 Mortgage Loans financed with the proceeds of the Prior Bonds, which Mortgage Loans had an outstanding principal balance of $143,801,213.

US Bank National Association ("US Bank") is the Master Servicer for various Mortgage Loans financed pursuant to the Trust Indenture. As of February 29, 2020, US Bank participates as Master Servicer for the Department of approximately 283 Mortgage Loans financed with the proceeds of the Prior Bonds, which Mortgage Loans had an outstanding principal balance of $34,673,740.

Sale of Mortgage Certificates

The Department may sell Mortgage Certificates in whole or part only upon delivery by the Department of (i) a statement of Projected Revenues establishing that such sale will not adversely affect the ability of the Department to pay when due the principal or the Redemption Price of and interest on the Bonds and (ii) written confirmation from each Rating Agency that such sale will not adversely affect the then current ratings on the Bonds (determined without regard to any bond insurance or similar credit enhancement). If proceeds from the sale of the Mortgage Certificates are to be applied to the redemption of Series 2020 Bonds, such Series 2020 Bonds must be redeemed under the applicable optional redemption provision.

Investment of Funds

Moneys in all Funds will be invested pursuant to the Depository Agreement with the Texas Treasury Safekeeping Trust Company in Investment Securities. See "APPENDIX F – SUMMARY OF INFORMATION REGARDING THE PROGRAM AND MORTGAGE LOANS, PRIOR SWAP AGREEMENTS, PRIOR LIQUIDITY FACILITIES AND OTHER MATTERS – Texas Treasury Safekeeping Trust Company." Moneys held or invested in all Funds and Accounts under the Trust Indenture (other than the Rebate Account, the Swap Agreement Termination Payment Subaccount and the Swap Agreement Termination Receipt Subaccount of the Surplus Revenues Account of the Revenue Fund and the Policy Payments Account) are for the equal and ratable benefit of all owners of the Bonds.

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The following table summarizes certain information as of February 29, 2020, regarding yields (calculated on the basis of stated maturity) on existing investments (valued at par) within the Float Fund in connection with outstanding Prior Bonds.

Fund or Account	Approximate Amount Invested (Par Value)	Investment Rate (%)	Investment Maturity Date	Investment Security / Investment Agreement Provider
1980 Single Family Surplus Rev	1,597,374	1.53	Short Term	NATWEST
1980 Single Family Surplus Rev	13,985,723	6.08	9/30/2029	FGIC
1991 A S/F (1980 A Refunding)	873,298	1.53	Short Term	NATWEST
1991 A S/F (1980 A Refunding)	3,116,252	6.08	9/30/2029	FGIC
1994 A&B SF (1983 Refunding)	2,825	1.53	Short Term	NATWEST
1994 A&B SF (1983 Refunding)	39,101	6.08	9/30/2029	FGIC
1996 D&E Single Family	3,818	1.53	Short Term	NATWEST
1997 D-F Single Family	184,518	1.53	Short Term	NATWEST
2002 A-D Single Family	13,105	1.53	Short Term	NATWEST
2002A Single Family (JR Lien)	63,444	1.53	Short Term	NATWEST
2004 A/B Single Family	3,049,811	1.53	Short Term	NATWEST
2004 A/B Single Family	3,282,551	3.96	3/1/2036	Transamerica Life
2004 CDEF Single Family	1,163,150	1.53	Short Term	NATWEST
2004 CDEF Single Family	1,663,347	3.8	3/1/2036	Transamerica Life
2004 A Single Family	116,590	1.53	Short Term	NATWEST
2005 BCD Single Family	2,784	1.53	Short Term	NATWEST
2005 A Single Family	1,901,822	1.53	Short Term	NATWEST
2005 A Single Family	8,570	3.37	9/1/2036	Transamerica Life
2007A Single Family	2,908,227	1.53	Short Term	NATWEST
2007A Single Family	46,607	4.32	9/1/2038	Transamerica Life
2013 A Single Family Refunding	663,391	1.53	Short Term	NATWEST
2015 AB Single Family	1,534,493	1.53	Short Term	NATWEST
2016 AB Single Family	2,475,424	1.53	Short Term	NATWEST
2017 ABC Single Family	2,784,636	1.53	Short Term	NATWEST
2018 A Single Family	6,125,107	1.53	Short Term	NATWEST
2019 A Single Family	1,792,871	1.53	Short Term	NATWEST
Grand Total	**49,398,840**			

The ability of the Department to make timely payments of principal of and interest on the Series 2020 Bonds and the Prior Bonds, could be affected if the parties to the various investment agreements for the Prior Bonds do not honor their obligations thereunder to repay such moneys and the interest thereon at the times and rates set forth in the respective investment agreements.

The Department has adopted an investment policy (the "Investment Policy") which applies to all financial assets of the Department. The Investment Policy's objectives, in the order of priority, are as follows: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) achievement of a market rate of return on investments, and (4) conformance with all applicable State statutes, particularly the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. With respect to bond proceeds, the Investment Policy provides that such proceeds should be invested in accordance with the applicable law, in particular the Public Funds Investment Act and as permitted by the applicable trust indenture.

OTHER DEPARTMENT PROGRAMS

The Department administers a variety of programs, in addition to its single family mortgage revenue bond program, that also fulfill its goals of providing safe and affordable housing throughout the State. Some of these programs may overlap or compete with the Program.

Taxable Mortgage Program

In addition to the Program, the Department offers mortgage loan financing options through its Taxable Mortgage Program (the "TBA Program"). Currently, all mortgage loans originated through the TBA Program are accompanied by a DPA Loan through which the mortgagor receives funds for down payment and closing cost assistance in the form of a 0%, non-amortizing, 30-year second loan that is due on sale or refinance. Mortgage loans originated through the TBA Program are pooled into mortgage-backed securities that are sold to third-party investors. ***Neither the mortgage loans nor the mortgage-backed securities originated through the TBA Program are pledged to the Indenture.*** Below is a description of current loan options available through the TBA Program.

Bond Eligible Loans. Provided through the Department's My First Texas Home program, these loans typically offer the lowest mortgage rates available through the TBA Program. Borrowers must be Eligible Borrowers (including meeting the first-time homebuyer requirement). Income qualification is performed in accordance with IRS requirements for tax exempt mortgage revenue bonds, and loan documents include standard tax exempt loan documentation (such as tax exempt riders and recapture disclosure). Typically, mortgage loans may be originated as Bond Eligible Loans when the Department has no bond proceeds available. When bond proceeds are available, mortgage loans are typically reserved and originated through the Single Family Mortgage Revenue Bond Program.

Combo Loans. Offered through the Department's My First Texas Home program, these loans include a Mortgage Credit Certificate (MCC) issued by the Department to the borrower. Borrowers must be Eligible Borrowers and must meet the first-time homebuyer requirement; income qualification is performed in accordance with IRS requirements for tax exempt mortgage revenue bonds. Combo Loans are not eligible for inclusion in a tax-exempt bond program.

Taxable Loans. Offered through the Department's My Choice Texas Home program, these loans provide the most qualification flexibility. Borrowers must meet the requirements for an Eligible Borrower except that there is no first-time homebuyer requirement and income qualification is performed using standard 1003 credit qualifying income. Taxable Loans are not eligible for inclusion in a tax-exempt bond program.

Residential Mortgage Revenue Bond Program

The Department administers a residential revenue bond program that finances mortgage loans to certain qualified first-time homebuyers, which is similar to the Program. For information regarding this program see "APPENDIX D-2 – BOND SUMMARY OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS."

PRIOR SWAP AGREEMENTS

In connection with the issuance of the certain Prior Bonds, the Department has entered into the following interest rate swap agreements with the respective swap providers described below (the "Prior Swap Providers"), as shown in the table below. Under each of the Prior Swap Agreements, the Department is obligated to make payments to the related Swap Provider at a fixed rate and is to receive from such Swap Provider a floating rate payment based upon the variable rate index shown in the table.

Related Series	Swap Provider	Initial Notional Amount	Fixed Rate	Variable Rate Index
2004 Series B	The Bank of New York Mellon	$ 53,000,000	3.671%	65.5% of LIBOR + 0.20%
2004 Series D	Goldman Sachs Bank USA	$ 35,000,000	3.084%	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR
2005 Series A	JPMorgan Chase Bank, N.A.	$100,000,000	4.01%	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR
2007 Series A	JPMorgan Chase Bank, N.A.	$143,005,000	4.013%	Lesser of (the greater of 65% of LIBOR and 56% of LIBOR + .45%) and LIBOR

Scheduled payments under the Prior Swap Agreements are subordinate to payments of principal and interest on the Bonds. The Department's scheduled fixed payments associated with the Series 2004B Bonds are insured by Assured Guaranty Municipal Corp. (formerly Financial Security Assurance).

The Prior Swap Agreements present certain financial risks to the Department under the Indenture. See "BONDHOLDER RISKS – Swap Basis Risk" and "– Swap Termination Risk" herein.

PRIOR LIQUIDITY FACILITIES

General

In connection with certain variable rate Prior Bonds, the Department entered into liquidity agreements (the "Prior Liquidity Facilities") with the Texas Comptroller of Public Accounts (the "Comptroller"), which succeeded the original liquidity facilities provided at issuance of certain Prior Bonds by the original liquidity facility providers. The Bondholders of such Prior Bonds have the right, and in certain circumstances may be required, to tender such Prior Bonds at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the date of purchase. The purchase price of any such Prior Bonds tendered or deemed tendered for purchase and not remarketed by the purchase date will (subject to certain conditions) be payable from amounts made available under the respective Prior Liquidity Facilities.

Bond Series	Outstanding Bond Amount 2/29/2020	Bank Bonds 2/29/2020	Liquidity Provider	Liquidity Facility Expiration Date[1]
2004B	$ 18,395,000	–	Texas Comptroller	8/31/2021
2004D	12,425,000	–	Texas Comptroller	8/31/2021
2005A	17,685,000	–	Texas Comptroller	8/31/2021
2007A	17,900,000	–	Texas Comptroller	8/31/2021
2004A JL Taxable	3,855,000	–	Texas Comptroller	8/31/2021

(1) Effective September 1, 2019, the Department extended the termination dates under the Prior Liquidity Facilities to August 31, 2021.

Variable Rate Bondholders and Liquidity Facilities

The Prior Liquidity Facilities are scheduled to expire prior to the scheduled final maturity of the related Prior Bonds. In connection with any such scheduled expiration, the Department may take various actions, including, but not limited to, extending, with the consent of the Comptroller, the scheduled expiration of a Prior Liquidity Facility, obtaining a substitute liquidity facility to replace the existing Prior Liquidity Facility, or causing the related Prior Bonds to be converted to a fixed rate or to bear interest at an interest rate mode that does not require a liquidity facility. Under certain circumstances, the Comptroller may terminate a Prior Liquidity Facility without affording the applicable Bondholders a right to optionally tender their Prior Bonds. No assurance is given that the Department will be able or will choose to extend the scheduled expiration on any particular Prior Liquidity Facility or obtain a substitute liquidity facility to replace a Prior Liquidity Facility upon terms substantially similar to the terms of the existing Prior Liquidity Facility.

APPENDIX G

TABLE OF PROJECTED WEIGHTED AVERAGE LIFE DATA AT VARIOUS PREPAYMENT SPEEDS

SIFMA Prepayment Model		Series 2020A Term Bonds Due 9/1/2035	Series 2020A Term Bonds Due 9/1/2040	Series 2020A Term Bonds Due 9/1/2045	Series 2020A Term Bonds Due 3/1/2050	Series 2020A Premium PAC Term Bonds Due 3/1/2051 (Optional Call not Exercised)	Series 2020A Premium PAC Term Bonds Due 3/1/2051 (Optional Call Exercised)	Series 2020B Bonds
0%	Average Life	13.4	18.0	23.0	27.7	18.6	8.1	7.4
	Average Maturity Date	12/11/2033	6/22/2038	6/23/2043	3/20/2048	2/17/2039	8/12/2028	12/16/2027
	First Redemption Date	3/1/2032	3/1/2036	3/1/2041	3/1/2046	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	9/1/2035	9/1/2040	9/1/2045	3/1/2050	6/1/2050	3/1/2029	10/1/2035
50%	Average Life	13.4	18.0	22.7	25.8	9.2	6.8	6.5
	Average Maturity Date	12/11/2033	6/22/2038	4/1/2043	5/4/2046	9/18/2029	4/8/2027	12/28/2026
	First Redemption Date	3/1/2032	3/1/2036	10/1/2040	10/1/2040	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	9/1/2035	9/1/2040	9/1/2045	1/1/2049	10/1/2040	3/1/2029	10/1/2035
75%	Average Life	13.4	17.6	21.0	22.5	7.0	6.1	6.1
	Average Maturity Date	11/17/2033	2/9/2038	7/7/2041	1/20/2043	7/9/2027	8/19/2026	7/26/2026
	First Redemption Date	3/1/2032	5/1/2035	5/1/2035	5/1/2035	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	5/1/2035	9/1/2040	9/1/2045	12/1/2047	12/1/2034	3/1/2029	10/1/2035
100%	Average Life	11.4	16.8	19.1	19.8	5.9	5.5	5.7
	Average Maturity Date	12/14/2031	4/8/2037	8/14/2039	4/20/2040	5/19/2026	1/15/2026	3/7/2026
	First Redemption Date	1/1/2022	7/1/2033	7/1/2033	7/1/2033	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	7/1/2033	9/1/2040	9/1/2045	12/1/2046	5/1/2033	3/1/2029	10/1/2035
125%	Average Life	5.3	15.9	17.6	18.0	5.9	5.5	5.3
	Average Maturity Date	10/23/2025	5/15/2036	1/29/2038	7/1/2038	5/19/2026	1/15/2026	10/30/2025
	First Redemption Date	2/1/2021	2/1/2031	2/1/2031	2/1/2031	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	1/1/2031	9/1/2040	9/1/2045	6/1/2046	5/1/2033	3/1/2029	10/1/2035
150%	Average Life	3.0	14.4	15.7	15.9	5.9	5.5	5.0
	Average Maturity Date	7/13/2023	12/9/2034	3/18/2036	5/21/2036	5/19/2026	1/15/2026	7/2/2025
	First Redemption Date	2/1/2021	5/1/2025	5/1/2025	5/1/2025	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	5/1/2025	9/1/2040	9/1/2045	11/1/2045	5/1/2033	3/1/2029	10/1/2035
175%	Average Life	2.5	12.9	13.8	13.9	5.9	5.5	4.7
	Average Maturity Date	12/21/2022	6/14/2033	4/17/2034	5/28/2034	5/19/2026	1/15/2026	3/15/2025
	First Redemption Date	2/1/2021	2/1/2024	2/1/2024	2/1/2024	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	2/1/2024	9/1/2040	4/1/2045	4/1/2045	5/1/2033	3/1/2029	10/1/2035
200%	Average Life	2.2	11.6	12.1	12.2	5.9	5.5	4.4
	Average Maturity Date	9/9/2022	2/14/2032	8/29/2032	9/18/2032	5/19/2026	1/15/2026	12/6/2024
	First Redemption Date	2/1/2021	8/1/2023	8/1/2023	8/1/2023	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	8/1/2023	9/1/2040	8/1/2044	8/1/2044	5/1/2033	3/1/2029	10/1/2035
300%	Average Life	1.7	7.5	7.6	7.6	5.9	5.5	3.5
	Average Maturity Date	3/7/2022	12/25/2027	2/11/2028	2/4/2028	5/19/2026	1/15/2026	1/11/2024
	First Redemption Date	2/1/2021	10/1/2022	10/1/2022	10/1/2022	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	10/1/2022	9/1/2040	5/1/2042	5/1/2042	5/1/2033	3/1/2029	10/1/2035
400%	Average Life	1.4	4.8	4.8	4.8	5.9	5.5	2.8
	Average Maturity Date	12/18/2021	5/1/2025	5/12/2025	5/7/2025	5/19/2026	1/15/2026	5/12/2023
	First Redemption Date	2/1/2021	6/1/2022	6/1/2022	6/1/2022	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	6/1/2022	1/1/2040	2/1/2040	1/1/2040	5/1/2033	3/1/2029	10/1/2035
500%	Average Life	1.3	4.7	4.7	4.7	4.4	4.2	2.3
	Average Maturity Date	11/2/2021	4/6/2025	4/3/2025	4/2/2025	11/17/2024	9/21/2024	11/12/2022
	First Redemption Date	2/1/2021	4/1/2022	4/1/2022	4/1/2022	2/1/2021	2/1/2021	8/1/2020
	Last Redemption Date	4/1/2022	2/1/2037	2/1/2037	1/1/2037	1/1/2034	3/1/2029	10/1/2035

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APPENDIX H

UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM SERIAL BONDS, PREMIUM TERM BONDS AND PREMIUM PAC TERM BONDS

Redemption Period (Both dates are inclusive)			Redemption Price				
			Series 2020A Premium Serial Bonds Due 3/1/2026	Series 2020A Premium Serial Bonds Due 9/1/2026	Series 2020A Premium Serial Bonds Due 3/1/2027	Series 2020A Premium Serial Bonds Due 9/1/2027	Series 2020A Premium Serial Bonds Due 3/1/2028
Closing Date	through	7/31/2020	114.830%	115.644%	122.133%	123.330%	124.216%
8/1/2020	through	8/31/2020	114.668%	115.488%	121.930%	123.132%	124.025%
9/1/2020	through	9/30/2020	114.456%	115.283%	121.665%	122.873%	123.776%
10/1/2020	through	10/31/2020	114.243%	115.078%	121.399%	122.614%	123.526%
11/1/2020	through	11/30/2020	114.031%	114.873%	121.133%	122.354%	123.276%
12/1/2020	through	12/31/2020	113.819%	114.669%	120.867%	122.095%	123.026%
1/1/2021	through	1/31/2021	113.607%	114.464%	120.601%	121.837%	122.777%
2/1/2021	through	2/28/2021	113.395%	114.260%	120.336%	121.578%	122.527%
3/1/2021	through	3/31/2021	113.183%	114.056%	120.071%	121.319%	122.278%
4/1/2021	through	4/30/2021	112.969%	113.849%	119.803%	121.058%	122.026%
5/1/2021	through	5/31/2021	112.755%	113.643%	119.535%	120.797%	121.774%
6/1/2021	through	6/30/2021	112.541%	113.437%	119.267%	120.536%	121.523%
7/1/2021	through	7/31/2021	112.328%	113.231%	119.000%	120.275%	121.271%
8/1/2021	through	8/31/2021	112.115%	113.025%	118.733%	120.014%	121.020%
9/1/2021	through	2/28/2022	111.901%	112.820%	118.466%	119.754%	120.769%
3/1/2022	through	8/31/2022	110.612%	111.576%	116.848%	118.176%	119.247%
9/1/2022	through	2/28/2023	109.314%	110.323%	115.219%	116.586%	117.713%
3/1/2023	through	8/31/2023	108.008%	109.062%	113.577%	114.983%	116.166%
9/1/2023	through	1/1/2024	106.694%	107.793%	111.923%	113.369%	114.607%

APPENDIX H

UNEXPENDED PROCEEDS REDEMPTION PRICE FOR PREMIUM SERIAL BONDS, PREMIUM TERM BONDS AND PREMIUM PAC TERM BONDS

Redemption Period (Both dates are inclusive)			Redemption Price			
			Series 2020A Premium Serial Bonds Due 9/1/2028	Series 2020A Premium Term Bonds Due 9/1/2045	Series 2020A Premium Term Bonds Due 3/1/2050	Series 2020A Premium PAC Term Bonds Due 3/1/2051
Closing Date	through	7/31/2020	125.178%	102.142%	101.678%	110.895%
8/1/2020	through	8/31/2020	124.993%	102.127%	101.666%	110.780%
9/1/2020	through	9/30/2020	124.751%	102.108%	101.651%	110.629%
10/1/2020	through	10/31/2020	124.508%	102.088%	101.635%	110.478%
11/1/2020	through	11/30/2020	124.266%	102.069%	101.620%	110.327%
12/1/2020	through	12/31/2020	124.024%	102.050%	101.605%	110.177%
1/1/2021	through	1/31/2021	123.782%	102.032%	101.591%	110.026%
2/1/2021	through	2/28/2021	123.540%	102.014%	101.577%	109.876%
3/1/2021	through	3/31/2021	123.299%	101.997%	101.564%	109.726%
4/1/2021	through	4/30/2021	123.054%	101.976%	101.548%	109.573%
5/1/2021	through	5/31/2021	122.810%	101.957%	101.532%	109.421%
6/1/2021	through	6/30/2021	122.566%	101.938%	101.517%	109.270%
7/1/2021	through	7/31/2021	122.322%	101.919%	101.503%	109.118%
8/1/2021	through	8/31/2021	122.078%	101.901%	101.489%	108.966%
9/1/2021	through	2/28/2022	121.835%	101.884%	101.476%	108.877%
3/1/2022	through	8/31/2022	120.358%	101.769%	101.386%	108.017%
9/1/2022	through	2/28/2023	118.869%	101.653%	101.295%	107.146%
3/1/2023	through	8/31/2023	117.368%	101.536%	101.203%	106.264%
9/1/2023	through	1/1/2024	115.853%	101.417%	101.110%	105.369%

APPENDIX I

DATA REGARDING THE 2020 B TRANSFERRED MORTGAGE CERTIFICATES

CUSIP	Pool Number	Pass-through Rate	Mortgage Rate	Issue Date	Original Principal	Principal Outstanding Prior to Participation (June 2020 Factors)	Participation Percentage	Participation Principal Relate to 2020 Series B Bonds	Weighted Average Remaining Maturity (Months)	Lifetime Prepayment Speed (PSA)	12 Month Prepayment Speed (PSA)	6 Month Prepayment Speed (PSA)
36200CCG8	G2 596871	6.150%	6.6500%	11/1/2002	378,658.00	35,427.05	100.00000%	$35,427.05	145	185	0	0
36200CED3	G2 596932	6.150%	6.6500%	9/1/2002	70,868.00	44,416.29	100.00000%	$44,416.29	141	1	0	0
36200CF75	G2 596990	5.400%	5.9000%	9/1/2002	396,474.00	75,170.62	100.00000%	$75,170.62	142	113	0	0
36200CLE3	G2 597125	6.150%	6.6500%	10/1/2002	424,768.00	67,967.35	100.00000%	$67,967.35	116	129	18	19
36200CNA9	G2 597185	6.150%	6.6500%	10/1/2002	345,327.00	68,064.31	100.00000%	$68,064.31	123	104	16	21
36200CP25	G2 597241	6.150%	6.6500%	10/1/2002	144,314.00	36,539.43	100.00000%	$36,539.43	144	90	0	0
36200CP33	G2 597242	5.400%	5.9000%	10/1/2002	64,424.00	30,284.42	100.00000%	$30,284.42	101	10	1	1
36200G3D6	G2 601196	6.150%	6.6500%	1/1/2003	457,744.00	26,986.82	100.00000%	$26,986.82	91	216	8	2
36200G3E4	G2 601197	5.400%	5.9000%	1/1/2003	596,136.00	78,068.50	100.00000%	$78,068.50	151	151	0	0
36200G5K8	G2 601250	6.150%	6.6500%	2/1/2003	819,201.00	100,268.05	100.00000%	$100,268.05	140	157	1	1
36200GQH2	G2 600856	6.150%	6.6500%	11/1/2002	1,180,026.00	135,744.26	100.00000%	$135,744.26	143	165	20	34
36200GRV0	G2 600900	5.400%	5.9000%	11/1/2002	255,000.00	20,804.97	100.00000%	$20,804.97	69	171	86	90
36200GV45	G2 601035	5.400%	5.9000%	12/1/2002	332,049.00	142,577.60	100.00000%	$142,577.60	147	38	2	2
36200GWJ1	G2 601049	6.150%	6.6500%	12/1/2002	457,875.00	37,315.38	100.00000%	$37,315.38	149	199	7	11
36200GY67	G2 601133	6.150%	6.6500%	1/1/2003	696,859.00	101,213.65	100.00000%	$101,213.65	130	141	3	4
36201RAQ4	G2 590515	5.400%	5.9000%	8/1/2002	314,434.00	38,704.37	100.00000%	$38,704.37	108	142	0	0
36202SJG4	G2 607863	6.150%	6.6500%	2/1/2003	554,974.00	52,765.45	100.00000%	$52,765.45	141	184	0	0
36202SKK3	G2 607898	5.400%	5.9000%	3/1/2003	130,985.00	83,362.97	100.00000%	$83,362.97	153	0	0	0
36202SKP2	G2 607902	6.150%	6.6500%	2/1/2003	657,494.00	96,255.07	100.00000%	$96,255.07	151	148	0	0
36202SPS1	G2 608033	6.150%	6.6500%	4/1/2003	655,432.00	32,838.06	100.00000%	$32,838.06	153	246	2	4
36202SQZ4	G2 608072	6.150%	6.6500%	4/1/2003	485,932.00	35,712.22	100.00000%	$35,712.22	144	210	1	2
36202WWB1	G2 611842	6.150%	6.6500%	6/1/2003	90,351.00	10,567.74	100.00000%	$10,567.74	45	109	143	275

CUSIP	Pool Number	Pass-through Rate	Mortgage Rate	Issue Date	Original Principal	Principal Outstanding Prior to Participation (June 2020 Factors)	Participation Percentage	Participation Principal Relate to 2020 Series B Bonds	Weighted Average Remaining Maturity (Months)	Lifetime Prepayment Speed (PSA)	12 Month Prepayment Speed (PSA)	6 Month Prepayment Speed (PSA)
36211PLP6	G2 518834	5.450%	5.9500%	9/1/1999	1,167,900.00	118,221.79	58.09444%	$68,680.29	103	128	1	1
36211TGH2	G2 522300	5.450%	5.9500%	10/1/1999	3,045,746.00	375,590.52	58.09444%	$218,197.21	99	110	129	237
36211TJV8	G2 522376	5.450%	5.9500%	11/1/1999	3,312,004.00	300,975.08	58.09444%	$174,849.79	104	137	163	309
36290Q7E9	G2 614793	6.150%	6.6500%	7/1/2003	57,500.00	37,536.43	100.00000%	$37,536.43	150	1	0	0
36290XYK0	G2 620914	6.150%	6.6500%	10/1/2003	168,192.00	42,728.01	100.00000%	$42,728.01	155	101	0	0
36291HAG9	G2 628307	6.150%	6.6500%	3/1/2004	113,517.00	43,778.24	100.00000%	$43,778.24	144	59	4	7
36291KDV6	G2 630216	5.400%	5.9000%	7/1/2004	292,857.00	52,720.45	100.00000%	$52,720.45	165	142	1	1
36291KNY9	G2 630507	5.400%	5.9000%	6/1/2004	525,102.00	105,900.46	100.00000%	$105,900.46	158	128	4	4
36291PE51	G2 633856	5.400%	5.9000%	9/1/2004	651,345.00	121,529.71	100.00000%	$121,529.71	170	142	0	0
36291PLF1	G2 634026	5.400%	5.9000%	7/1/2004	223,945.00	45,289.09	100.00000%	$45,289.09	161	129	0	0
36291PN51	G2 634112	5.400%	5.9000%	8/1/2004	240,524.00	39,937.38	100.00000%	$39,937.38	168	153	0	0
36291PP75	G2 634146	5.400%	5.9000%	8/1/2004	490,266.00	177,778.51	100.00000%	$177,778.51	166	70	476	3
36291S3G3	G2 637199	4.490%	4.9900%	12/1/2004	1,621,278.00	207,078.79	100.00000%	$207,078.79	128	175	471	797
36291S4U1	G2 637235	4.490%	4.9900%	12/1/2004	1,507,991.00	184,615.72	100.00000%	$184,615.72	171	186	0	0
36291TGL6	G2 637503	5.400%	5.9000%	10/1/2004	1,966,728.00	274,101.56	100.00000%	$274,101.56	144	168	310	541
36291TH76	G2 637554	4.490%	4.9900%	11/1/2004	2,120,674.00	187,855.58	100.00000%	$187,855.58	170	216	0	0
36291TH84	G2 637555	5.400%	5.9000%	11/1/2004	499,275.00	129,598.17	100.00000%	$129,598.17	168	108	2	3
36291THB7	G2 637526	5.400%	5.9000%	10/1/2004	504,512.00	57,687.15	100.00000%	$57,687.15	149	191	6	8
36291THF8	G2 637530	4.490%	4.9900%	10/1/2004	485,741.00	83,930.11	100.00000%	$83,930.11	150	143	0	0
36291TJU3	G2 637575	4.490%	4.9900%	11/1/2004	455,572.00	151,673.23	100.00000%	$151,673.23	154	74	13	16
36291TM70	G2 637682	4.490%	4.9900%	12/1/2004	2,713,512.00	520,324.37	100.00000%	$520,324.37	166	138	3	4
36291V5G4	G2 639947	4.490%	4.9900%	12/1/2004	1,593,980.00	330,281.69	100.00000%	$330,281.69	171	130	0	0
36291V6W8	G2 639985	4.490%	4.9900%	12/1/2004	1,845,196.00	243,121.25	100.00000%	$243,121.25	165	178	1	1
36291V7D9	G2 639992	4.490%	4.9900%	1/1/2005	3,296,081.00	293,273.69	100.00000%	$293,273.69	167	219	9	0
36291W2M2	G2 640780	4.490%	4.9900%	3/1/2005	1,551,849.00	338,939.18	100.00000%	$338,939.18	163	126	275	500
36291W5F4	G2 640846	5.400%	5.9000%	3/1/2005	137,052.00	92,549.28	100.00000%	$92,549.28	168	1	1	1

CUSIP	Pool Number	Pass-through Rate	Mortgage Rate	Issue Date	Original Principal	Principal Outstanding Prior to Participation (June 2020 Factors)	Participation Percentage	Participation Principal Relate to 2020 Series B Bonds	Weighted Average Remaining Maturity (Months)	Lifetime Prepayment Speed (PSA)	12 Month Prepayment Speed (PSA)	6 Month Prepayment Speed (PSA)
36291W5H0	G2 640848	4.490%	4.9900%	3/1/2005	982,394.00	247,654.30	100.00000%	$247,654.30	160	110	9	8
36291WBQ3	G2 640047	4.490%	4.9900%	1/1/2005	1,811,884.00	231,750.06	100.00000%	$231,750.06	156	179	27	29
36291WBU4	G2 640051	5.400%	5.9000%	1/1/2005	155,724.00	25,243.53	100.00000%	$25,243.53	138	156	20	26
36291WCG4	G2 640071	4.490%	4.9900%	1/1/2005	2,190,258.00	375,215.99	100.00000%	$375,215.99	167	151	341	1
36291WCQ2	G2 640079	4.490%	4.9900%	1/1/2005	2,498,459.00	380,963.95	100.00000%	$380,963.95	157	160	51	66
36291WXC0	G2 640675	4.490%	4.9900%	2/1/2005	3,747,969.00	363,327.52	100.00000%	$363,327.52	165	212	174	329
36291WYG0	G2 640711	4.490%	4.9900%	2/1/2005	1,203,845.00	361,735.92	100.00000%	$361,735.92	172	91	322	0
36291WYV7	G2 640724	4.490%	4.9900%	2/1/2005	2,625,903.00	159,927.23	100.00000%	$159,927.23	164	260	10	7
36291WZL8	G2 640747	4.490%	4.9900%	2/1/2005	1,737,882.00	197,271.92	100.00000%	$197,271.92	170	197	4	3
36291WZY0	G2 640759	4.490%	4.9900%	2/1/2005	1,609,073.00	369,752.84	100.00000%	$369,752.84	153	117	10	11
36292AKX5	G2 643010	4.490%	4.9900%	3/1/2005	971,865.00	76,524.66	100.00000%	$76,524.66	152	234	23	34
36292ALZ9	G2 643044	4.490%	4.9900%	4/1/2005	1,503,469.00	63,030.01	100.00000%	$63,030.01	175	301	0	0
36292AN61	G2 643113	4.490%	4.9900%	4/1/2005	1,204,678.00	278,098.41	100.00000%	$278,098.41	171	122	3	3
36292ANP9	G2 643098	4.490%	4.9900%	4/1/2005	1,353,009.00	530,618.37	100.00000%	$530,618.37	176	63	2	0
36292APA0	G2 643117	5.400%	5.9000%	4/1/2005	142,864.00	60,828.31	100.00000%	$60,828.31	172	57	1	1
36292APR3	G2 643132	4.490%	4.9900%	5/1/2005	2,230,276.00	346,468.02	100.00000%	$346,468.02	173	167	555	924
36292APW2	G2 643137	5.400%	5.9000%	5/1/2005	251,271.00	80,468.90	100.00000%	$80,468.90	167	89	0	0
36292AQJ0	G2 643157	4.490%	4.9900%	5/1/2005	1,345,114.00	75,996.47	93.70000%	$71,208.69	179	275	0	0
36292CUB8	G2 645078	4.490%	4.9900%	7/1/2005	4,656,748.00	330,940.83	100.00000%	$330,940.83	175	254	3	4
36292CUG7	G2 645083	5.400%	5.9000%	7/1/2005	127,828.00	30,081.51	100.00000%	$30,081.51	142	118	0	0
36292CUS1	G2 645093	4.490%	4.9900%	7/1/2005	767,394.00	80,535.14	93.70000%	$75,461.43	178	213	0	0
36292CVU5	G2 645127	4.490%	4.9900%	5/1/2005	582,532.00	84,279.72	100.00000%	$84,279.72	179	176	0	0
36292CW34	G2 645166	5.400%	5.9000%	6/1/2005	182,633.00	55,271.73	100.00000%	$55,271.73	169	97	0	0
36292CW59	G2 645168	4.490%	4.9900%	6/1/2005	1,272,321.00	168,507.19	93.70000%	$157,891.24	170	186	537	4
36292CWG5	G2 645147	4.490%	4.9900%	6/1/2005	1,055,146.00	423,564.16	93.70000%	$396,879.62	171	60	40	3

CUSIP	Pool Number	Pass-through Rate	Mortgage Rate	Issue Date	Original Principal	Principal Outstanding Prior to Participation (June 2020 Factors)	Participation Percentage	Participation Principal Relate to 2020 Series B Bonds	Weighted Average Remaining Maturity (Months)	Lifetime Prepayment Speed (PSA)	12 Month Prepayment Speed (PSA)	6 Month Prepayment Speed (PSA)
36292CXU3	G2 645191	4.490%	4.9900%	6/1/2005	1,143,374.00	129,713.12	93.70000%	$121,541.19	158	199	728	1133
36292CY73	G2 645234	4.490%	4.9900%	6/1/2005	2,405,285.00	302,886.14	93.70000%	$283,804.31	170	190	222	8
36292E4C1	G2 647119	4.490%	4.9900%	8/1/2005	225,926.00	57,131.10	93.70000%	$53,531.84	175	116	1	2
36292E5K2	G2 647150	4.490%	4.9900%	8/1/2005	621,842.00	223,363.65	100.00000%	$223,363.65	176	76	0.7	1
36292E7E4	G2 647193	4.490%	4.9900%	8/1/2005	1,728,271.00	349,434.07	100.00000%	$349,434.07	149	138	380	655
36292EWF3	G2 646946	4.490%	4.9900%	9/1/2005	206,669.00	67,546.32	93.70000%	$63,290.90	183	88	0	0
36292EYK0	G2 647014	4.490%	4.9900%	9/1/2005	466,545.00	74,824.14	100.00000%	$74,824.14	181	167	2	2
36292FBR7	G2 647248	4.490%	4.9900%	8/1/2005	3,070,041.00	220,219.75	100.00000%	$220,219.75	165	252	5	1
36292HYZ0	G2 649728	4.490%	4.9900%	10/1/2005	2,125,690.00	79,229.38	100.00000%	$79,229.38	175	326	2	2
Total / Weighted Average*		4.794%	5.294%		$88,301,846.00	$12,810,474.38		$12,395,143.86	160	146	110	118

* With respect to the cumulative weighted average of historical prepayment speeds above, the sum of the individual prepayment speeds for each Mortgage-Backed Security Pool, multiplied by its outstanding principal balance amount (as provided by Bloomberg Data services), and then divided by the total Principal Amount of the 2020 B Transferred Mortgage Certificates, results in the stated cumulative weighted average prepayment speeds with respect to the 2020 B Transferred Mortgage Certificates (based on June 2020 Factors).

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