
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

THIRTY-THIRD SUPPLEMENTAL RESIDENTIAL MORTGAGE
REVENUE BOND TRUST INDENTURE

BETWEEN

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., TRUSTEE

AUTHORIZING

\$ _____
RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2019A

Dated as of March 1, 2019

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THIRTY-THIRD SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE

THIS THIRTY-THIRD SUPPLEMENTAL RESIDENTIAL MORTGAGE REVENUE BOND TRUST INDENTURE, dated as of March 1, 2019 (this “Series Supplement”), is made by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas, as successor to the Texas Housing Agency (the “Agency”) (together with any successor to its rights, duties, and obligations hereunder, the “Agency” or the “Department”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (as successor trustee to MTrust Corp, and together with any successor trustee hereunder, the “Trustee”).

RECITALS

WHEREAS, the Department (or its predecessor, the Agency) and the Trustee have heretofore executed and delivered that certain Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, as amended and supplemented from time to time (the “Indenture”), providing for the issuance from time to time by the Department of one or more series of its Residential Mortgage Revenue Bonds (collectively, the “Bonds”); and

WHEREAS, the Department has been created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with other laws of the State of Texas (the “State”) applicable to the Department, (the “Act”), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide safe and sanitary housing for persons and families of low and very low income and families of moderate income (as described in the Act and as determined by the Governing Board of the Department from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (i) to make and acquire, and to enter into advance commitments to make and acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State; (ii) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (iii) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or participations therein or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, Section 1002 of the Indenture authorizes the Department and the Trustee to execute and deliver a supplemental indenture, authorizing Bonds of a Series to include any other matters and things relative to such Bonds which are not inconsistent with or contrary to the Indenture, to add to the covenants of the Department, and to pledge other moneys, securities or funds as part of the Trust Estate; and

WHEREAS, the Department has determined to issue its Residential Mortgage Revenue Bonds, Series 2019A in an aggregate Principal Amount of \$_____ (the “Series 2019A Bonds”) pursuant to the Indenture and this Series Supplement to obtain funds to acquire Mortgage Certificates backed by Mortgage Loans secured by mortgages on residential housing in the State owned and occupied by persons and families of low and very low income and families of moderate income, all under and in accordance with the Constitution and the laws of the State; and

WHEREAS, the execution and delivery of this Series Supplement and the issuance of the Series 2019A Bonds have been in all respects duly and validly authorized by written resolution of the Governing Board of the Department; and

WHEREAS, the Trustee has accepted the trusts created by the Indenture and this Series Supplement and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to execution and delivery of this Series Supplement have happened, exist and have been performed as so required in order to make the Indenture, as supplemented by this Series Supplement, a valid, binding and legal instrument for the security of the Series 2019A Bonds and a valid and binding agreement in accordance with its terms;

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Series 2019A Bonds by the holders thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2019A Bonds are to be issued, authenticated, delivered and accepted by the holders thereof, the Department and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective holders from time to time of the Bonds, including the Series 2019A Bonds, as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.1 Supplemental Indenture. This Series Supplement is supplemental to, and is adopted in accordance with, Article III and Article X of the Indenture.

Section 1.2 Definitions.

1. Unless the context shall require otherwise, all defined terms contained in the Indenture shall have the same meanings in this Series Supplement (other than in the form of Series 2019A Bond set forth in Exhibit A hereto) as such defined terms are given in Section 101 of the Indenture.

2. As used in this Series Supplement (other than in the form of Series 2019A Bond set forth in Exhibit A hereto), unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Account” or “Accounts” shall mean any one or more, as the case may be, of the separate special trust accounts created and established in Section 2.9 of this Series Supplement.

“Assisted Mortgage Loans” shall mean 2019A Mortgage Loans that include a related DPA Loan to provide down payment and closing cost assistance.

“Authorized Representative of the Department” shall mean the Chair or Vice Chair of the Governing Board of the Department, the Executive Director or Acting Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Board or any officer or employee of the Department authorized to perform specific acts or duties by resolution duly adopted by the Department and as evidenced by a written certificate delivered to the Trustee containing the specimen signature of such person.

“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, a limited purpose trust company organized under the laws of the State of New York, and any successor Bond Depository appointed pursuant to Section 913 of the Indenture and Section 2.6 of this Series Supplement.

“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, or the city in which the payment office of the Paying Agent 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 Accrued Interest” shall mean the amount of interest received in the month following the month of the purchase of a 2019A Mortgage Certificate by the Trustee which represents the number of days of interest on such 2019A Mortgage Certificate at the applicable Pass-Through Rate from the first day of the month of purchase to, but not including, the Certificate Purchase Date.

“Certificate Purchase Date” shall mean, with respect to a 2019A Mortgage Certificate, the date of purchase thereof by the Trustee on behalf of the Department in accordance with the Servicing Agreement.

“Certificate Purchase Period” shall mean the period from the Issuance Date to and including December 1, 2019, but which may be extended to a date no later than September 1, 2022, in accordance with Section 5.2 of this Series Supplement.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“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 dated as of May 8, 2017, by and between the Department and the Compliance Agent, together with any amendments thereto.

“Computation Date” shall mean each Installment Computation Date and the Final Computation Date.

“Contract for Deed Exception” shall mean the exception from certain Mortgage Loan eligibility requirements available with respect to a Borrower possessing land under a contract for deed, as provided in Section 143(i)(1)(C) of the Code.

“Costs of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of an issuance of obligations within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Depository” shall mean the Texas Treasury Safekeeping Trust Company, acting in accordance with the Depository Agreement, and any bank or trust company appointed pursuant to Section 914 of the Indenture and Section 5.7 of this Series Supplement to act as depository of certain moneys and investments.

“Depository Agreement” shall mean that certain Eleventh Supplement to Amended and Restated Depository Agreement dated as of the date hereof, by and among the Department, the Trustee and the Depository relating to the Bonds, together with any amendments or supplements thereto.

“Depository Participant” shall mean a broker, dealer, bank, other financial institution or any other Person for whom from time to time a Bond Depository effects book-entry transfers and pledges of securities deposited with such Bond Depository.

“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 equal to either _____% or _____% of the principal amount of the 2019A Mortgage Loan, as identified in the commitment lot notice applicable to the 2019A Mortgage Loan, subject to adjustment from time to time at the direction of the Department.

“Fannie Mae” shall mean Federal National Mortgage Association, 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., and any successor thereto.

“Fannie Mae Certificate” shall mean a guaranteed mortgage pass-through Fannie Mae Mortgage-Backed Security 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 Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Fannie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 2019A Mortgage Loans in the applicable Mortgage Pool on record with Fannie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Favorable Opinion of Bond Counsel” shall mean, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that, under existing law, such action or omission does not adversely affect the excludability of interest payable on the Series 2019A Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon original issuance of the Series 2019A Bonds or other customary exceptions acceptable to the recipient thereof).

“Final Computation Date” shall mean the date on which final payment in full of the Series 2019A Bonds is made.

“Ginnie Mae” shall mean the Government National Mortgage Association, a 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. § 1716 et seq.), and any successor thereto.

“Ginnie Mae Certificate” shall mean a fully-modified, mortgage-backed, pass-through security issued by the 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 Servicer into a Ginnie Mae pool.

“Ginnie Mae Certificate Purchase Price” shall mean, with respect to the Program and the purchase of any Ginnie Mae Certificate thereunder by the Trustee on any Certificate Purchase Date, the total of 100% of the principal balance of the 2019A Mortgage Loans in the applicable Mortgage Pool on record with Ginnie Mae (subject to adjustment upon written notice from the Department) on the first day of the month in which the subject Certificate Purchase Date occurs, but shall not include any Certificate Accrued Interest thereon.

“Ginnie Mae Guaranty Agreement” shall mean, with respect to the Program, the Commitment to Guarantee Mortgage-Backed Securities (Form HUD-11704) (whether one or

more) issued by Ginnie Mae to the Servicer, together with any amendments or supplements thereto or extensions thereof.

“Gross Proceeds” shall mean any Proceeds and any Replacement Proceeds.

“Indenture” shall mean collectively, the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987, and as amended and supplemented from time to time, each between the Department and the Trustee.

“Installment Computation Date” shall mean the last day of the fifth Tax Bond Year and each succeeding fifth Tax Bond Year.

“Interest Payment Date” shall mean, with respect to the Series 2019A Bonds, each January 1 and July 1, commencing July 1, 2019.

“Investment Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

“Issuance Date” shall mean [**March 20, 2019**], the date of initial issuance and delivery of the Series 2019A Bonds to the Underwriters, as initial purchasers thereof, in exchange for payment of the purchase price of such Series 2019A Bonds.

“Letter of Instructions” shall mean, with respect to the Series 2019A 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.

“Letter of Representations” shall mean that certain DTC Blanket Issuer Letter of Representations executed by the Department and the Bond Depository.

“Mortgage Loan Principal Payments” shall mean all Mortgage Loan Principal Prepayments and all regularly scheduled payments of principal with respect to all Mortgage Loans included in the 2019A Mortgage Certificates.

“Mortgage Certificates” shall mean Ginnie Mae Certificates or Fannie Mae Certificates.

“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 have the meaning assigned to the term “Pool” in the Servicing Agreement.

“Net Proceeds” means Sale Proceeds, less the portion of any Sale Proceeds invested in a reasonably required reserve or replacement fund.

“Non-assisted Mortgage Loan” shall mean 2019A Mortgage Loans other than Assisted Mortgage Loans.

“Nonpurpose Investment” shall mean any “investment property,” as defined in Section 148(b) of the Code, that is not a purpose investment acquired to carry out the governmental purpose of the Series 2019A Bonds.

“Other Obligated Person” shall mean a Person that is a mortgagor with respect to at least 20% in aggregate principal amount of the Mortgage Loans held under the Indenture.

“Pass-Through Rate” shall mean ___% for Assisted Mortgage Loans and ___% for Non-Assisted Mortgage Loans, subject to adjustment from time to time at the direction of the Department.

“Premium PAC Term Bonds” shall mean the Series 2019A Bonds bearing interest at ___% and maturing on January 1, 2049.

“Premium PAC Term Bonds Outstanding Applicable Amount” shall mean the semi-annual amounts set forth in Exhibit D hereto.

“Premium Serial Bonds” shall mean the Series 2019A Bonds maturing on July 1 in the years 2020 through 2030, and January 1 and July 1 in the years 2031 through 2034 as shown in Section 2.4 of this Series Supplement.

“Proceeds” shall mean any Sale Proceeds, Investment Proceeds and Transferred Proceeds.

“Program” shall mean the Department’s Single Family Mortgage Purchase Program designated as Texas Department of Housing and Community Affairs Bond Program 91, as set forth and implemented through the Program Agreement.

“Program Agreement” shall mean, collectively, 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 [**February 23, 2017**], relating to specific provisions of the Program, as amended from time to time.

“Purchase Agreement” shall mean the Bond Purchase Agreement dated _____, 2019, between the Department and the Underwriters providing for the purchase of the Series 2019A Bonds by the Underwriters, as amended or supplemented from time to time.

“Rating Agency” shall mean: (i) S&P Global Ratings, 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 Amount” has the meaning set forth in Section 1.148-3(b) of the Regulations and generally means the excess, as of any date, of the future value of all receipts on Nonpurpose Investments over the future value of all payments on Nonpurpose Investments, all as determined in accordance with Section 1.148-3 of the Regulations.

“Rebate Analyst” shall mean a person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code, (b) chosen by the Department, and (c) engaged for the purpose of determining the Rebate Amount and the amount of required deposits, if any, to the Rebate Fund.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

“Revenues” shall mean in addition to those items defined as such in the Indenture, all amounts paid or required to be paid from time to time on the 2019A Mortgage Certificates, including any payments received from Ginnie Mae or Fannie Mae pursuant to their respective guaranties of the Ginnie Mae Certificates or Fannie Mae Certificates (as applicable), all Mortgage Loan Principal Prepayments representing the same, all prepayment premiums or penalties received by or on behalf of the Department in respect of the 2019A Mortgage Certificates and all other net proceeds of such 2019A Mortgage Certificates.

“RHS” shall mean the United States Department of Agriculture, Rural Housing Service, formerly known as Farmer’s Home Administration, and any successor thereto.

“Sale Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

“Serial Bonds” shall mean the Series 2019A Bonds maturing on January 1 in the years 2021 through 2030, as shown in Section 2.4 of this Series Supplement.

“Series 2019A Bonds” shall mean the Bonds of the Department of the Series authorized by this Series Supplement.

“Series Supplement” shall mean this Thirty-Third Supplemental Residential Mortgage Revenue Bond Trust Indenture by and between the Department and the Trustee, dated as of March 1, 2019, together with any amendments hereto.

“Servicer” shall mean Idaho Housing and Finance Association, or any successor thereto as servicer for the Program, including any designee to act as subservicer on its behalf.

“Servicing Agreement” shall mean the Mortgage Acquisition, Pooling and Servicing Agreement dated as of October 3, 2016, by and between the Department and the Servicer, together with any amendments thereto.

“State” shall mean the State of Texas.

“Term Bonds” shall mean the Series 2019A Bonds maturing on January 1 in the years 2039, 2044, and 2050, as shown in Section 2.4 of this Series Supplement.

“2019A Capitalized Interest Fund” shall mean the 2019A Capitalized Interest Fund established pursuant to Section 2.9 hereof.

“2019A Cost of Issuance Account” shall mean the 2019A Cost of Issuance Account of the Cost of Issuance Fund established pursuant to Section 2.9 hereof.

“2019A Cumulative Applicable Amount” means the amounts set forth in Section 2.7.2 hereof.

“2019A Expense Account” shall mean the 2019A Expense Account of the Expense Fund established pursuant to Section 2.9 hereof.

“2019A Interest Account” shall mean the 2019A Interest Account of the Interest Fund established pursuant to Section 2.9 hereof.

“2019A Mortgage Certificates” shall mean the Ginnie Mae Certificates or Fannie Mae Certificates that evidence beneficial ownership of and a participation in a Mortgage Pool, that satisfy the requirements of Section 2.15 which are purchased by the Trustee from amounts available in the 2019A Mortgage Loan Account and pledged by the Department to the Trustee pursuant to the Indenture and this Series Supplement.

“2019A Mortgage Loan Account” shall mean the 2019A Mortgage Loan Account of the Mortgage Loan Fund established pursuant to Section 2.9 hereof.

“2019A Mortgage Loans” shall mean the loans included in each Mortgage Pool represented by a 2019A Mortgage Certificate.

“2019A Principal Account” shall mean the 2019A Principal Account of the Principal Fund established pursuant to Section 2.9 hereof.

“2019A Rebate Fund” shall mean the 2019A Rebate Fund established pursuant to Section 2.9 hereof.

“2019A Residual Revenues Account” shall mean the 2019A Residual Revenues Account of the Residual Revenues Fund established pursuant to Section 2.9 hereof.

“2019A Revenue Account” shall mean the 2019A Revenue Account of the Revenue Fund established pursuant to Section 2.9 hereof.

“2019A Special Redemption Account” shall mean the 2019A Special Redemption Account of the Special Redemption Fund established pursuant to Section 2.9 hereof.

“Tax Bond Year” shall mean each one-year period that ends at the close of business on the day selected by the Department. The first and last Tax Bond Years may be short periods. If no day is selected by the Department before the earlier of the date the last Series 2019A Bond is discharged or the date that is five years after the Issuance Date, Tax Bond Years end on each anniversary of the Issuance Date and on the date the last Series 2019A Bond is discharged.

“Transferred Proceeds” shall mean the amounts described in Section 1.148-9 of the Regulations.

“Underwriters” shall mean Jefferies LLC and the other underwriters named on the schedule attached to the Purchase Agreement.

“Yield” shall mean (i) with respect to the Series 2019A Bonds, yield as determined in accordance with Section 143(g)(2)(C) of the Code and (ii) with respect to the 2019A Mortgage Loans, the effective rate of mortgage interest as determined in accordance with Section 143(g)(2)(B) of the Code.

Section 1.3 Authority for This Series Supplement. This Series Supplement is adopted pursuant to the provisions of the Act and the Indenture, particularly Section 1002(1) thereof.

Section 1.4 Rules of Construction.

1. For all purposes of this Series Supplement unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to the articles, sections and other subdivisions of this Series Supplement.

2. Except where the context otherwise requires, terms defined in this Series Supplement to impart the singular number shall be considered to include the plural number and vice versa.

3. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa.

4. This Series Supplement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Series Supplement and the Indenture which it supplements.

Section 1.5 Interpretation. The Table of Contents, titles and headings of the Articles and Sections of this Series Supplement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms of provisions hereof.

Section 1.6 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.7 Indenture to Remain in Force. Except as amended by this Series Supplement, the Indenture shall remain in full force and effect as to the matters covered therein.

Section 1.8 Successors and Assigns. All covenants and agreements in this Series Supplement by the Department and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.9 Separability Clause. In case any provision in this Series Supplement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.10 Benefits of Series Supplement. Nothing in this Series Supplement or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, and the Holders of Bonds any benefit or any legal or equitable right, remedy or claim under this Series Supplement.

Section 1.11 Governing Law. This Series Supplement shall be construed in accordance with and governed by the laws of the State of Texas.

Section 1.12 Miscellaneous. Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Department signed by an Authorized Representative of the Department or in the case of any other Person signed by its President or Vice President, or other officer serving in similar capacities specifically authorized to execute such writing on behalf of any other Person, as the case may be.

Section 1.13 Granting Clause. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, and the performance and observance of all of the covenants and conditions herein contained, and in consideration of the premises, the acceptance by the Trustee of the trust hereby created, the purchase and acceptance of the Bonds by the holders thereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department does hereby GRANT, BARGAIN, CONVEY, ASSIGN, MORTGAGE, and PLEDGE to the Trustee and its successors in trust hereunder all rights, title and interest of the Department now owned or hereafter acquired in and to the DPA Loans and the 2019A Mortgage Certificates, all amounts that may be received with respect to the DPA Loans and the 2019A Mortgage Certificates and the Ginnie Mae Guaranty Agreement and Fannie Mae’s guaranty as to timely payment of principal and interest on Fannie Mae Certificates, any right of the Department under any Ginnie Mae Guaranty Agreement or under Fannie Mae’s guaranty with respect to the 2019A Mortgage Certificates held under the Indenture, including any amendments, extensions, or renewals of the terms thereof, including, without limitation, all present and future rights of the Department to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to the account of or receivable by the Department under the DPA Loans and the 2019A Mortgage Certificates, to bring actions and proceedings under the DPA Loans and the 2019A Mortgage Certificates, or for the enforcement thereof, and to do any and all things which the Department is or may become entitled to do under

the 2019A Mortgage Certificates, and the holders of the Bonds are by such pledge and assignment afforded a beneficial interest in such DPA Loans and the 2019A Mortgage Certificates.

[End of Article I]

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2019A BONDS

Section 2.1 Authorization, Original Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions, and limitations established in the Indenture and this Series Supplement, a Series of Bonds is hereby authorized to be issued in the original aggregate Principal Amount of \$ _____. Each Bond of this Series of Bonds shall be entitled “Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bond, Series 2019A.” The terms of the Series 2019A Bonds shall be as set forth in Article III of the Indenture and this Article II.

Section 2.2 Purposes. The Series 2019A Bonds are issued in accordance with subsection 1(3)(b) of Section 302 of the Indenture for the purpose of acquiring Mortgage Loans by purchasing Mortgage Certificates representing participations therein, including providing down payment and closing cost assistance [**funding capitalized interest, and paying costs of issuance.**]

Section 2.3 Date, Denomination, Numbers, and Letters.

1. Any Series 2019A Bond registered or authenticated prior to July 1, 2019 shall be dated as of the Issuance Date. Any Series 2019A Bond authenticated on or after July 1, 2019 shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case such Series 2019A Bond shall be dated as of such date of authentication. The initially issued Series 2019A Bond shall be registered to Cede & Co.

2. The Series 2019A Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof.

3. Unless the Department shall direct otherwise, each Series 2019A Bond within a maturity of the Series 2019A Bonds shall be lettered and numbered separately from 00001 upward prefixed by the letter R, the letters Ja or Ju depending on whether the maturity is January or July, and the last two digits of the year of maturity. The Series 2019A Bonds approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas (the “Initial Bond”) shall be numbered TR-1.

Section 2.4 Interest Payment Dates, Interest Rates and Maturities of the Series 2019A Bonds. The Series 2019A Bonds shall bear interest from the date thereof until maturity or prior redemption at the respective rates per annum set forth below. Interest on the Series 2019A Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months, payable on July 1, 2019, and on each January 1 and July 1 thereafter until maturity or prior redemption. The Series 2019A Bonds shall mature and become payable on the dates and in the respective Principal Amounts set forth below, subject to prior redemption in accordance with Section 2.7 of this Series Supplement and Article IV of the Indenture:

\$10,810,000 Series 2019A Serial Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
01/1/2021	\$ 890,000	
01/1/2023	965,000	
01/1/2024	1,005,000	
01/1/2025	1,050,000	
01/1/2026	1,095,000	
01/1/2027	1,140,000	
01/1/2028	1,190,000	
01/1/2029	1,240,000	
01/1/2030	1,310,000	

\$23,910,000 Series 2019A Premium Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
07/1/2020	\$ 865,000	
07/1/2021	905,000	
07/1/2022	940,000	
07/1/2023	980,000	
07/1/2024	1,020,000	
07/1/2025	1,065,000	
07/1/2026	1,110,000	
07/1/2027	1,155,000	
07/1/2028	1,210,000	
07/1/2030	1,330,000	
01/1/2031	1,370,000	
07/1/2031	1,405,000	
01/1/2032	1,445,000	
07/1/2032	1,485,000	
01/1/2033	1,525,000	
07/1/2033	1,570,000	
01/1/2034	1,610,000	
07/1/2034	1,655,000	

Term Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
06/1/2039	\$18,775,000	
06/1/2044	23,360,000	
01/12050	32,315,000	
01/1/2049	57,400,000	

Section 2.5 Paying Agent; Method and Place of Payment.

1. The Trustee is hereby appointed as Paying Agent for the Series 2019A Bonds. The Principal Amount and Redemption Price of the Series 2019A Bonds shall be payable upon the

presentation and surrender thereof, as the same respectively become due and payable, at the applicable office of the Trustee. For purposes of this Section, “applicable office” shall mean the Trustee’s office presently located in Houston, Texas (or such other office designated by the Trustee) which will be utilized to perform payments and transfers with respect to the Bonds. The interest on each Series 2019A Bond shall be payable by check mailed on the Interest Payment Date to the Person in whose name such Series 2019A Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable interest payment date, at the address of such Person as shown on the Bond registration books kept by the Trustee. The Principal Amount and Redemption Price of and interest on the Series 2019A Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent for the Series 2019A Bonds as permitted by the Indenture.

2. Notwithstanding the foregoing, for so long as the Bond Depository is the exclusive registered owner of the Series 2019A Bonds and for owners of not less than \$1,000,000 in aggregate Principal Amount of the Series 2019A Bonds, and except for the final payment of principal of the Series 2019A Bonds at maturity, the Principal Amount, Redemption Price thereof and the interest thereon shall be payable by wire transfer in immediately available federal funds to the Bond Depository or such owners without the necessity of any immediate presentation and surrender of Series 2019A Bonds pursuant to written instructions from the registered owner, or the Letter of Representations, as the case may be.

Section 2.6 Bond Depository; Book-Entry System.

1. Pursuant to Section 913 of the Indenture, the Department hereby appoints The Depository Trust Company as Bond Depository for the Series 2019A Bonds. In accordance with the Letter of Representations, the Department shall cause the initial Series 2019A Bonds to be registered in the name of Cede & Co., as nominee for the Bond Depository, and to be delivered by the Underwriters to the Bond Depository on the Issuance Date.

2. With respect to Series 2019A Bonds registered in the Bond registration books of the Department required to be maintained by the Trustee pursuant to Section 310 of the Indenture in the name of Cede & Co. or any successor Bond Depository, or a nominee therefor, the Department and the Trustee shall have no responsibility or obligation to any Depository Participant or to any Person on behalf of whom such Depository Participant holds an interest in Series 2019A Bonds. The Department and the Trustee may treat and consider the registered owner of any Series 2019A Bond as the holder and absolute owner of such Series 2019A Bond for the purpose of payment of the principal and Redemption Price of and interest with respect to such Series 2019A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2019A Bond, for the purpose of registering transfers and exchanges with respect to such Series 2019A Bond, and for all other purposes whatsoever. The Trustee shall pay all the Principal Amount and Redemption Price of and interest on the Series 2019A Bonds only to or upon the order of the respective registered owners of the Series 2019A Bonds and all such payments shall be valid and effective with respect to such payments to the extent of the sum or sums so paid. The Department and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of The Depository Trust Company, any successor Bond Depository or any Depository Participant with respect to any ownership interest in Series 2019A Bonds, (ii) the delivery to any Depository Participant or any other Person, other than a registered owner of a Series 2019A Bond

as shown in the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture, of any notice with respect to the Series 2019A Bonds, including any notice of redemption, or (iii) the payment to any Depository Participant or any other Person, other than a registered owner of a Series 2019A Bond, of any amount with respect to any Series 2019A Bond. The rights of Depository Participants and Persons on behalf of whom any Depository Participant holds a beneficial interest in Series 2019A Bonds shall be limited to those established by law and agreements between such Depository Participants and other Persons and the applicable Bond Depository.

3. In the event that either (i) the Bond Depository that is, directly or through a nominee, the registered owner of all of the Outstanding Series 2019A Bonds notifies the Trustee and the Department that it is no longer willing or able to discharge its responsibilities as a Bond Depository or (ii) the Department determines that continuance of the existing book-entry system for ownership of interests in the Series 2019A Bonds is not in the best interest of such owners of beneficial interests in the Series 2019A Bonds, then the Department shall direct the Bond Depository to terminate the existing book-entry system for ownership of interests in the Series 2019A Bonds. Upon such termination, the Department shall promptly select a substitute Bond Depository (and shall notify the Trustee in writing of such selection) to provide a system of book-entry ownership of beneficial interests in the Series 2019A Bonds, if one is available satisfactory to the Department, and the ownership of all Series 2019A Bonds shall be transferred on the Bond registration books required to be kept and maintained pursuant to Section 310 of the Indenture to such successor Bond Depository, or its nominee. In the alternative, the Department may direct the Trustee to, and if the Department fails to promptly designate a successor Bond Depository the Trustee, without further direction, shall, notify the Depository Participants, through the Bond Depository for the Series 2019A Bonds, of the availability of Bonds registered in the names of such Persons as are owners of beneficial interests in the Series 2019A Bonds and, upon surrender to the Trustee of the Outstanding Series 2019A Bonds held by the Bond Depository, accompanied by registration instructions from the Bond Depository, the Trustee shall, at the expense of the transferees, cause to be printed and authenticated Series 2019A Bonds, in Authorized Denominations, to the owners of beneficial interests in the Series 2019A Bonds as of the date of the termination of the existing book-entry ownership system for the Series 2019A Bonds. Neither the Department nor the Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying upon, such instructions. So long as the Department has designated a Bond Depository to provide a system of book-entry ownership of the Series 2019A Bonds, all of the Series 2019A Bonds must be held under such book-entry system.

4. Notwithstanding any other provisions in Article II of this Series Supplement, the Department and the Trustee may, but shall not be required to, enter into separate agreements with one or more Bond Depositories which may provide for alternative or additional provisions with respect to the delivery of notices, payment of interest and/or principal, or any other matters.

Section 2.7 Redemption Prices and Terms. The Series 2019A Bonds shall not be subject to redemption prior to maturity except as follows:

1. Special Redemption from Unexpended Proceeds. The Series 2019A Bonds are subject to special redemption, at any time and from time to time, prior to their stated maturities, in whole or in part. The Redemption Price of the Serial Bonds and the Term Bonds shall be equal to

100% of the principal amount thereof. The Redemption Price of Premium PAC Term Bonds pursuant to this Section 2.7.1 shall be at the applicable Redemption Price, as set forth in Exhibit C. The Redemption Price of the Premium Serial Bonds shall be at the applicable Redemption Price, as set forth in Exhibit C. Redemption Price shall include in each case accrued interest thereon to, but not including, the date of redemption, from amounts transferred to the 2019A Redemption Account in accordance with Section 5.2; **[excepting that for a one-time redemption of unexpended Proceeds in a cumulative amount of less than \$500,000 the Redemption Price shall be equal to 100% of the principal amount thereof.]**

Such redemption shall occur on December 1, 2019, 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 2019A Mortgage Certificates, unless the Certificate Purchase Period is extended in accordance with this Supplemental Indenture. In no event will the redemption occur later than September 1, 2022.

The Series 2019A Bonds to be redeemed in accordance with this subsection 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 Cashflow Certificate.

2. Special Redemption from Mortgage Loan Principal Payments. The Series 2019A Bonds other than the Premium Serial Bonds are subject to redemption prior to maturity on and after July 1, 2019, and all Series 2019A Bonds (including Premium Serial Bonds) are subject to redemption prior to maturity on or after the Optional Redemption Date. The Series 2019A Bonds subject to redemption as described in the immediately preceding sentence shall be redeemed, in whole or in part, from time to time after giving notice as provided in Article IV of the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2019A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date, from amounts transferred to the 2019A Redemption Account in accordance with Section 5.3 hereof.

In the event of a redemption pursuant to this Section 2.7.2 from Mortgage Loan Principal Payments relating to the 2019A Mortgage Certificates, the Trustee shall select the particular Series 2019A Bonds to be redeemed as follows:

- (i) 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:

	Premium PAC Term Bonds <u>Outstanding Applicable</u>
<u>Date</u>	<u>Amount</u>
3/20/2019	\$57,400,000
7/1/2019	57,400,000
1/1/2020	57,020,000

Premium PAC Term Bonds
Outstanding Applicable

<u>Date</u>	<u>Amount</u>
7/1/2020	55,550,000
1/1/2021	53,120,000
7/1/2021	49,760,000
1/1/2022	45,555,000
7/1/2022	40,820,000
1/1/2023	36,205,000
7/1/2023	31,790,000
1/1/2024	27,565,000
7/1/2024	23,520,000
1/1/2025	19,670,000
7/1/2025	15,990,000
1/1/2026	12,490,000
7/1/2026	9,155,000
1/1/2027	5,995,000
7/1/2027	2,985,000
1/1/2028	140,000
7/1/2028	-

(ii) amounts remaining following the redemptions described in clause (i) above shall be applied, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, (a) prior to the Optional Redemption Date, first to redeem the Series 2019A Bonds (other than the Premium Serial Bonds and Premium PAC Term Bonds) on a proportionate basis until the Outstanding principal amount of all Series 2019A Bonds has been reduced to the Series 2019A Cumulative Applicable Amount as of such date, and (b) on or after the Optional Redemption Date, first to redeem outstanding Premium Serial Bonds on a proportionate basis, then all other remaining Series 2019A Bonds (other than the Premium PAC Term Bonds) on a proportionate basis until the Outstanding principal amount of all Series 2019A Bonds has been reduced to the 2019A Cumulative Applicable Amount as of such date.

The 2019A Cumulative Applicable Amount is as follows:

<u>Date</u>	<u>2019A Cumulative Applicable Amount</u>
3/20/2019	\$166,570,000
7/1/2019	166,570,000
1/1/2020	164,760,000
7/1/2020	158,830,000
1/1/2021	149,135,000
7/1/2021	136,200,000
1/1/2022	120,790,000
7/1/2022	104,720,000

<u>Date</u>	<u>2019A Cumulative Applicable Amount</u>
1/1/2023	90,505,000
7/1/2023	78,195,000
1/1/2024	67,535,000
7/1/2024	58,310,000
1/1/2025	50,330,000
7/1/2025	43,425,000
1/1/2026	37,455,000
7/1/2026	32,290,000
1/1/2027	27,830,000
7/1/2027	23,975,000
1/1/2028	20,640,000
7/1/2028	17,765,000
1/1/2029	15,280,000
7/1/2029	13,140,000
1/1/2030	11,290,000
7/1/2030	9,695,000
1/1/2031	8,320,000
7/1/2031	7,135,000
1/1/2032	6,115,000
7/1/2032	5,240,000
1/1/2033	4,485,000
7/1/2033	3,835,000
1/1/2034	3,275,000
7/1/2034	2,795,000
1/1/2035	2,385,000
7/1/2035	2,030,000
1/1/2036	1,725,000
7/1/2036	1,465,000
1/1/2037	1,245,000
7/1/2037	1,055,000
1/1/2038	895,000
7/1/2038	755,000
1/1/2039	635,000
7/1/2039	535,000
1/1/2040	450,000
7/1/2040	375,000
1/1/2041	315,000
7/1/2041	260,000
1/1/2042	215,000
7/1/2042	180,000
1/1/2043	150,000
7/1/2043	120,000

<u>Date</u>	<u>2019A Cumulative Applicable Amount</u>
1/1/2044	100,000
7/1/2044	80,000
1/1/2045	65,000
7/1/2045	50,000
1/1/2046	40,000
7/1/2046	30,000
1/1/2047	25,000
7/1/2047	20,000
1/1/2048	15,000
7/1/2048	10,000
1/1/2049	5,000
7/1/2049	-

(iii) amounts remaining following the redemptions described in clauses (i) and (ii) above shall be applied [**monthly**], unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate, (a) prior to the Optional Redemption Date, first to redeem the Series 2019A Bonds (other than the Premium Serial Bonds) including the Premium PAC Term Bonds, on a proportionate basis after taking into account the amounts applied to redeem the Series 2019A Bonds pursuant to the redemptions under Section 2.7(i) and (ii), and (b) after the Optional Redemption Date, first to redeem outstanding Premium Serial Bonds on a proportionate basis, then all other Series 2019A Bonds on a proportionate basis after taking into account the amounts applied to redeem the Series 2019A Bonds pursuant to the above-described redemptions.

Any special redemption of the Series 2019A Bonds pursuant to Section 2.7.1 will reduce the Premium PAC Term Bonds Outstanding Applicable Amount and the 2019A Cumulative Applicable Amount described above for the current and each future semiannual period on a proportionate basis.

3. Special Redemption from Excess Revenues. The Series 2019A Bonds other than the Premium Serial Bonds are subject to redemption prior to maturity and shall be redeemed, in whole or in part, from time to time on or after July 1, 2019, and all Series 2019A Bonds (including Premium Serial Bonds) are subject to redemption prior to maturity on or after the Optional Redemption Date, after giving notice as provided in Article IV of the Indenture, at a Redemption Price equal to 100% of the principal amount of the Series 2019A Bonds or portions thereof to be redeemed, plus accrued interest to but not including the redemption date, from amounts transferred to the 2019A Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 (whether or not derived in connection with the Series 2019A Bonds).

In the event of a redemption pursuant to this Section 2.7.3 from excess Revenues, the Trustee shall apply amounts transferred to the 2019A Redemption Account from the Residual Revenues Fund in accordance with Section 5.4 to redeem the Series 2019A Bonds Outstanding in the same manner provided in Section 2.7.2, unless otherwise instructed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate.

4. Scheduled Mandatory Redemption. The Series 2019A 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 Article IV of the 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 the Series 2019A Bonds or portions thereof to be redeemed, plus accrued interest to but not including the redemption date, from amounts that have been transferred to the 2019A Principal Account from the 2019A Revenue Account.

\$18,775,000 2019A Term Bonds maturing 2039

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
01/1/2035	\$1,700,000	07/1/2037	\$1,890,000
07/1/2035	1,740,000	01/1/2038	1,935,000
01/1/2036	1,775,000	07/1/2038	1,975,000
07/1/2036	1,815,000	01/1/2039	2,025,000
01/1/2037	1,855,000	07/1/2039	2,065,000*

* Final Maturity

\$23,360,000 2019A Term Bonds maturing 2044

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
01/1/2040	\$2,110,000	07/1/2042	\$2,355,000
07/1/2040	2,155,000	01/1/2043	2,410,000
01/1/2041	2,205,000	07/1/2043	2,465,000
07/1/2041	2,255,000	01/1/2044	2,520,000
01/1/2042	2,305,000	07/1/2044	2,580,000*

* Final Maturity

\$32,315,000 2019A Term Bonds maturing 2050

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
01/1/2045	\$2,635,000	07/1/2047	\$2,945,000
07/1/2045	2,695,000	01/1/2048	3,010,000
01/1/2046	2,755,000	07/1/2048	3,080,000
07/1/2046	2,815,000	01/1/2049	3,150,000
01/1/2047	2,885,000	07/1/2049	5,010,000
		01/1/2050	1,335,000*

* Final Maturity

Premium PAC Term Bonds Maturing 2049

Redemption Date	Principal Amount	Redemption Date	Principal Amount
01/1/2020	\$ 250,000	07/1/2034	\$ 885,000
07/1/2020	435,000	01/1/2035	910,000
01/1/2021	445,000	07/1/2035	930,000
07/1/2021	455,000	01/1/2036	955,000
01/1/2022	470,000	07/1/2036	980,000
07/1/2022	480,000	01/1/2037	1,005,000
01/1/2023	495,000	07/1/2037	1,035,000
07/1/2023	505,000	01/1/2038	1,060,000
01/1/2024	520,000	07/1/2038	1,090,000
07/1/2024	535,000	01/1/2039	1,115,000
01/1/2025	545,000	07/1/2039	1,145,000
07/1/2025	560,000	01/1/2040	1,175,000
01/1/2026	575,000	07/1/2040	1,210,000
07/1/2026	590,000	01/1/2041	1,240,000
01/1/2027	605,000	07/1/2041	1,270,000
07/1/2027	625,000	01/1/2042	1,305,000
01/1/2028	640,000	07/1/2042	1,340,000
07/1/2028	655,000	01/1/2043	1,375,000
01/1/2029	675,000	07/1/2043	1,410,000
07/1/2029	690,000	01/1/2044	1,450,000
01/1/2030	700,000	07/1/2044	1,485,000
07/1/2030	720,000	01/1/2045	1,525,000
01/1/2031	740,000	07/1/2045	1,565,000
07/1/2031	760,000	01/1/2046	1,605,000
01/1/2032	780,000	07/1/2046	1,650,000
07/1/2032	800,000	01/1/2047	1,690,000
01/1/2033	820,000	07/1/2047	1,735,000
07/1/2033	840,000	01/1/2048	1,780,000
01/1/2034	865,000	07/1/2048	1,830,000
		01/1/2049	1,875,000*

* Final Maturity

The principal amount of the Series 2019A 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 2019A 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.

5. Optional Redemption. The Series 2019A Bonds shall be subject to redemption prior to maturity, in whole or in part, at any time and from time to time, on or after July 1, 2028 (the “Optional Redemption Date”) at the option of the Department after giving notice as provided in Article IV of the Indenture, at a Redemption Price equal to the Principal Amount of such Series 2019A Bonds or portions thereof to be redeemed, plus accrued interest to, but not including, the redemption date.

At least 45 days prior to, or such later date as the Trustee will accept, any redemption date described in the immediately preceding paragraph the Department shall give a Letter of Instructions to the Trustee accompanied by a Cashflow Certificate specifying the Principal Amount of Series 2019A Bonds to be redeemed and the date of such redemption and identifying the Series 2019A Bonds by the maturity date of such Series 2019A Bonds and the source of funds to be utilized to redeem such Series 2019A Bonds.

Section 2.8 Notice of Redemption.

1. In addition to the notice required under the Indenture, if the Series 2019A Bonds are registered in the name of the nominee of the Bond Depository, the Trustee shall deliver, by telecopy, notice of a redemption not less than thirty (30) nor more than sixty (60) days prior to the redemption date, or such other number of days prior to the redemption date as is agreed upon, in writing, to the Bond Depository which will allow the Series 2019A Bonds to be timely redeemed on the redemption date.

2. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2019A Bonds receives the notice.

Section 2.9 Creation of Additional Funds, Accounts and Subaccounts and Application Thereof.

1. Pursuant to the provisions of subsection 3 of Section 502 of the Indenture, there is established by this Section 2.9 for the Series 2019A Bonds, an Account in the Interest Fund and the Principal Fund. Each such Account shall be known and designated as the “2019A _____ Account”, with the blank containing an appropriate reference to the Fund to which such Account relates. There is also hereby established for the Series 2019A Bonds an additional Fund designated as the “2019A Bond Proceeds Fund.” Within each of the Cost of Issuance Fund, the Expense Fund, the Mortgage Loan Fund, the Revenue Fund, the Special Redemption Fund and the Residual Revenues Fund, there is hereby established an Account to be known and designated as the “2019A _____ Account” with the blank containing an appropriate reference to the Fund to which such Account relates. There is also hereby established for the Series 2019A Bonds two additional Funds designated as the “2019A Rebate Fund” and the “2019A Capitalized Interest Fund.”

2. Unless an Event of Default shall have occurred and be continuing, Revenues from the 2019A Mortgage Certificates, from the investment or reinvestment of moneys on deposit in each Account for the Series 2019A Bonds shall be kept separate and apart from the Revenues attributable to other Mortgage Certificates or attributable to the investment and reinvestment of the moneys on deposit under the Indenture with respect to any other Series. The Accounts shall be

for the equal benefit of the Holders of all of the Bonds. The segregation of the Accounts as required by this Section 2.9 is for the purpose of making the calculations required by Sections 143(g) and 148 of the Code, and is not for the purpose of giving a priority or preference to the Bonds of one Series over that of another Series. Except as provided in this Section, the Revenues and proceeds of a Series shall continue to be used as provided in Article V of the Indenture.

Section 2.10 Initial Deposits. On the Issuance Date, as shall be more fully set forth in a Letter of Instructions, the Trustee shall deposit the proceeds of the Series 2019A Bonds into the 2019A Bond Proceeds Fund. There shall be transferred from the 2019A Bond Proceeds Fund the amounts specified in a Letter of Instructions authorizing the authentication and delivery of the Series 2019A Bonds, for deposit to the Funds and Accounts specified therein. After completion of such transfers, the 2019A Bond Proceeds Fund shall be closed. Thirty days after the Issuance Date, any funds remaining in the 2019A Cost of Issuance Account shall be transferred to **[the Department.] [only if not funded with bond proceeds]**

Section 2.11 Form of Series 2019A Bonds. (a) Each Series 2019A Bond shall be in substantially the form and tenor of Exhibit A attached hereto, which Exhibit A is incorporated herein as if fully set forth in this Series Supplement, with such omissions, insertions, and variations as permitted or required by the Indenture. The registration certificate of the Comptroller of Public Accounts of the State of Texas and the certificate of authentication of the Trustee shall be in the form set forth in Exhibit A. The Department is hereby authorized, in its discretion, to provide for the assignment of CUSIP numbers for the Series 2019A Bonds and to have such CUSIP numbers printed thereon, and the Department may direct the Trustee to use such CUSIP numbers in notices of redemption, provided that any such notice may state that no representation is made by the Trustee or the Department as to the correctness of such CUSIP number either as printed on the Series 2019A Bonds or as contained in any notice of redemption. There may be printed on or attached to each Series 2019A Bond registered in the name of the Bond Depository a schedule for the purpose of notation by the Bond Depository of the portion of the Principal Amount thereof which shall have been paid and the portion of the Principal Amount thereof which remains Outstanding and unpaid.

(b) Notwithstanding the foregoing, the Initial Bond shall be in the form set forth in Exhibit A, except that the form of the single fully-registered Initial Bond shall be modified as follows:

(i) Immediately under the name of the bond issue and the legends, the existing headings shall be omitted and replaced with the following headings:

“No. _____ Dated Date: _____, 2019 \$

Registered Owner: _____

Principal Amount: _____ DOLLARS”

(ii) Paragraph one shall read as follows:

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the “Department”), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified below, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay interest on such principal sum to the registered owner hereof in like coin or currency from the Dated Date of this Bond set forth above or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth below, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on July 1, 2019, and each January 1 and July 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such Principal Amount shall be discharged, in accordance with the following schedule:

[Insert list of maturities from Section 2.4 of the Series Supplement.]

The Principal Amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended.

Section 2.12 2019A Rebate Fund.

1. At the beginning of each Tax Bond Year, the Department shall calculate the estimated Rebate Amount that will be payable on the next occurring Computation Date, as set forth in Section 4.6.1(ii). In calculating the Rebate Amount, the Department may rely upon a Counsel’s Opinion or an opinion of an Rebate Analyst that the method of calculation utilized by the Department complies with the requirements of Section 148 of the Code and Section 1.148-3 of the Regulations. If, in making such calculations, the Department determines that there is an insufficient amount currently on deposit in the 2019A Rebate Fund to make the payment required by Section 4.6.1(ii), then the Department shall (i) immediately transfer the amount of such deficiency from any other account in the Expense Fund or (ii) instruct the Trustee to transfer such amount to the 2019A Rebate Fund from the Revenue Fund and the Trustee shall transfer from the 2019A Revenue Account to the 2019A Rebate Fund the amounts so specified, all in accordance with Section 505 of the Indenture. If, in making such calculations, the Department determines that there is a negative Rebate Amount, then the Department may direct the Trustee in writing to

transfer from the 2019A Rebate Fund to the 2019A Revenue Account the amount then on deposit in the 2019A Rebate Fund.

2. All earnings resulting from the investment of amounts on deposit in the 2019A Rebate Fund shall be credited to the 2019A Rebate Fund.

3. No later than 55 day after each Computation Date for the Series 2019A Bonds, the Department shall deliver the items set forth in Section 4.6.1 to the Trustee. Not later than 60 days after each Computation Date for the Series 2019A Bonds, the Trustee shall withdraw from the 2019A Rebate Fund the amounts described in Section 4.6.1(ii) and remit to the United States of America the amounts required to be paid to the United States of America in accordance with written instructions from the Department, which shall be in compliance with Sections 1.148-1 through 1.148-8 of the Regulations or any successor regulation.

4. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) has not been paid to the United States of America pursuant hereto as required or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department, shall immediate transfer any amounts due as set forth in Section 4.6.2 and shall deliver to the Trustee any documents required pursuant to Section 4.6.2. Upon receipt of such amount and documentation relating thereto, the Trustee shall withdraw from the 2019A Rebate Fund the amounts described in Section 4.6.2 and remit to the United States of America the amounts required to be paid in accordance with written instructions from the Department, which shall be in compliance with Regulations Sections 1.148-1 through 1.148-8 or any successor regulation.

5. Each payment required to be made to the United States of America pursuant to this Section shall be submitted to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 or such other address as provided by law or regulation and shall be accompanied by Internal Revenue Service Form 8038-T properly completed by the Department with respect to the Series 2019A Bonds.

Section 2.13 2019A Capitalized Interest Fund. The 2019A Capitalized Interest Fund shall be credited with all amounts deposited therein from whatever source including the initial deposit specified in a Letter of Instructions. On each Interest Payment Date and each date fixed for the redemption of the Series 2019A Bonds, to the extent funds are not available in the 2019A Revenue Account to pay interest or principal due on the Series 2019A Bonds, the Trustee shall transfer from the 2019A Capitalized Interest Fund to the 2019A Interest Account or the 2019A Principal Account an amount which, when added to any amounts already on deposit therein, will equal the amount of interest and principal to become due and payable on the Series 2019A Bonds on such date. As soon as practicable after the earlier of receipt of certification from the Department that amounts on deposit in the 2019A Mortgage Loan Account will not be used to purchase 2019A Mortgage Certificates or the end of the Certificate Purchase Period, but in no event earlier than _____, _____, the Trustee shall transfer all amounts on deposit in the 2019A Capitalized Interest Fund to [_____], and the 2019A Capitalized Interest Fund shall be closed. Amounts on deposit in the 2019A Capitalized Interest Fund are for the equal benefit of the Holders

of all the Bonds and such Fund shall be treated as an account in the Revenue Fund for the purposes of Article V of the Indenture.

Section 2.14 2019A Mortgage Loan Account. The 2019A Mortgage Loan Account established pursuant to Section 2.9 shall be credited with all amounts deposited therein from whatever source. The amounts in such Account shall be used to purchase, on each Certificate Purchase Date within the Certificate Purchase Period, 2019A Mortgage Certificates. On _____, _____, unless the Certificate Purchase Period is extended in accordance with Section 5.2, unexpended proceeds of the Series 2019A Bonds shall be transferred from 2019A Mortgage Loan Account to the 2019A Special Redemption Account in accordance with Section 2.7.1 on _____, _____.

Section 2.15 2019A Mortgage Certificate Acquisition.

1. The Department has determined that the Supplemental Mortgage Security for the 2019A Mortgage Loans shall be the guaranty of timely payment of principal and interest provided by Ginnie Mae and Fannie Mae pursuant to the Ginnie Mae Certificates and the Fannie Mae Certificates. Accordingly, the purchase of the 2019A Mortgage Loans shall be accomplished through the purchase of Ginnie Mae Certificates and Fannie Mae Certificates in accordance with the Program Agreement, and no 2019A Mortgage Loan shall be eligible for purchase unless it has been included in a Mortgage Pool and the beneficial ownership thereof is represented by a 2019A Mortgage Certificate.

2. On each applicable Certificate Purchase Date, the Trustee shall purchase Ginnie Mae Certificates and Fannie Mae Certificates at the Ginnie Mae Certificate Purchase Price and the Fannie Mae Certificate Purchase Price, respectively, from amounts available in the 2019A Mortgage Loan Account in accordance with this subsection 2 unless otherwise instructed by the Department in a Letter of Instructions.

3. Each 2019A Mortgage Certificate purchased shall bear interest at the applicable Pass-Through Rate. Ginnie Mae Certificates and Fannie Mae Certificates shall be accepted by the Trustee only if:

(i) The Ginnie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation, which corporation shall be registered as a "Clearing Agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. For a Ginnie Mae Certificate that is in the form of a book-entry maintained on the records of the Participants Trust Corporation, or any successor depository institution ("PTC") ("Book Entry Security"), the Trustee shall receive confirmation from PTC that PTC has made an appropriate entry in its records of the transfer of such Book Entry Security to a limited purpose account of the PTC Participant (defined below), and identifying such Book Entry Security as belonging to the Trustee, so that the Trustee at all times has a first priority perfected security interest in such Ginnie Mae Certificates. The "PTC Participant" (if not the Trustee) shall be a "financial intermediary"

(as defined in Section 8-313 of the Uniform Commercial Code as in effect in the state in which the Book Entry Security is deposited) which is a participant in PTC and which has a custody agreement with the Trustee with respect to the Ginnie Mae Certificate to be transferred as Book Entry Securities through PTC. In the custody agreement, the PTC Participant must agree (w) to act as agent of the Trustee for purposes of causing, upon instructions of the Trustee, the transfer of Book Entry Securities to the PTC account of the PTC Participant, (x) to issue to the Trustee confirmation of the transfer of each Book Entry Security to the PTC Participant, (y) to identify each such Book Entry Security in its records as belonging to the Trustee, and (z) to accept instructions only from the Trustee with respect to the transfer of such Book Entry Securities. The Ginnie Mae Certificate shall be identified on the records of the PTC Participant as being held by such PTC Participant solely and exclusively for the benefit of the Trustee. The PTC Participant shall send a confirmation to the Trustee of such transfer of the Ginnie Mae Certificate to the PTC Participant. The PTC Participant shall cause each Book Entry Security to be transferred to and held in a Limited Purpose Account (or such other account as may be created or identified in the PTC Rules (the "Rules") in which PTC does not have any lien on any Book Entry Security held therein). The Trustee shall have evidence that (xx) the receiving PTC Participant has delivered to PTC an irrevocable instruction to the effect that all fees arising in connection with the specified Limited Purpose Account are to be charged to another account maintained by PTC for the receiving PTC Participant, and (yy) PTC has delivered a certificate to the receiving PTC Participant to the effect that, based on the instruction regarding payment of PTC fees, PTC will not charge the specified Limited Purpose Account for so long as the instruction remains in effect. If the Trustee does not receive a payment or advice of payment on a Ginnie Mae Certificate when due (if the Ginnie Mae Certificates are held by the Trustee, on the fifteenth day of each month with regard to Ginnie Mae I Certificates, and twentieth day of each month with regard to Ginnie Mae II Certificates and if the Ginnie Mae Certificates are held by PTC, on the seventeenth day of each month with regard to Ginnie Mae I Certificates and twenty-second day of each month with regard to Ginnie Mae II Certificates), the Trustee shall promptly telephonically notify, and demand payment from Ginnie Mae, in the case of Ginnie Mae I Certificates, or Chemical Bank as paying agent for Ginnie Mae in the case of Ginnie Mae II Certificates. To the extent the Ginnie Mae Certificates are subject to book-entry transfer, the Trustee shall so notify PTC. Notwithstanding the foregoing, the Trustee shall comply with such procedures as are prescribed by Ginnie Mae from time to time.

The Fannie Mae Certificates acquired by the Trustee on behalf of the Department shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held in book-entry form as described in this subsection 3. A Fannie Mae Certificate shall be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the Fannie Mae Certificate shall have been registered on the books of the Federal Reserve Bank (acting as a "depository") in the name of the Trustee and the Trustee shall have received confirmation in writing that the depository is holding such Fannie Mae Certificate on behalf of, and has identified such Fannie Mae Certificate on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice of payment from the depository of payment with respect to a Fannie Mae Certificate when due by the close of business on the twenty-fifth day of any month (or the next Business Day if the twenty-fifth is not a Business Day), the Trustee shall telephonically demand

payment from Fannie Mae in connection with the guarantee of timely payments of principal and interest by Fannie Mae.

(ii) The Trustee shall have received the certificates of the Servicer and the Warehouse Provider, in substantially the form of Exhibit B hereto and incorporated herein by reference for all purposes, upon which the Trustee may conclusively rely; and **[Consider deleting]**

(iii) Sufficient amounts are available in the appropriate Accounts to pay the applicable Ginnie Mae Certificate Purchase Price or Fannie Mae Certificate Purchase Price, as the case may be.

[End of Article II]

ARTICLE III

[RESERVED]

ARTICLE IV

TAX COVENANTS

Section 4.1 General Tax Covenant. The Department intends that the interest on the Series 2019A Bonds be excludable from gross income for purposes of federal income taxation pursuant to Sections 103, 141, 143 and 146 through 150, inclusive, of the Code. The Department covenants and agrees not to take any action, or knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would (i) cause the interest on the Series 2019A Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Sections 103 and 141, 143 or 146 through 150, inclusive, of the Code. In particular, the Department covenants and agrees to comply with each requirement of this ARTICLE IV; provided, however, that the Department shall not be required to comply with any particular requirement of this ARTICLE IV (other than the requirements of Sections 706 and 708 of the Indenture and Section 4.2) if the Department has received a Counsel's Opinion from Bond Counsel that (a) such noncompliance will not adversely affect the excludability of interest on any of the Series 2019A Bonds from gross income for federal income tax purposes or (b) compliance with some other requirement specified in such Counsel's Opinion in lieu of a requirement set forth in this ARTICLE IV will satisfy the applicable requirements of the Code, in which case compliance with such other requirement will constitute compliance with the requirement specified in this ARTICLE IV. The Department and the Trustee may amend this Supplemental Indenture to reflect the deletion or substitution of any such requirement specified in this ARTICLE IV in the manner provided in Section 1002 of the Indenture.

Section 4.2 Use of Proceeds. The Department covenants and agrees that (a) all of the Proceeds of the Series 2019A Bonds (other than amounts used to pay Costs of Issuance of the Series 2019A Bonds **[or capitalized interest on the Series 2019A Bonds]**) will be used to finance owner-occupied residences; (b) the Proceeds of the Series 2019A Bonds will not be used in a way that would cause the Series 2019A Bonds to meet the private business use tests set forth in Section 141(b) of the Code; (c) all Proceeds of the Series 2019A Bonds that are to be used to finance owner-occupied residences (i) will be used for such purpose within the 42-month period beginning on the Issuance Date of the Series 2019A Bonds or (ii) to the extent not so used, will be used to redeem Series 2019A Bonds; and (d) no portion of the proceeds of the Series 2019A Bonds will be used to finance any 2019A Mortgage Loan or DPA Loan or to acquire any Mortgage Certificate after the close of such period.

Section 4.3 Mortgage Eligibility Requirements.

1. The Department covenants and agrees: (i) to attempt in good faith to meet, with respect to each 2019A Mortgage Loan, before the execution thereof, the mortgage eligibility

requirements of Section 143(c), (d), (e), (f) and (i) of the Code (as more fully described in subsections 2, 3, 4, 5 and 6, respectively, of this Section 4.3), by placing restrictions in the Program Agreement or other similar agreements that permit the origination and purchase of 2019A Mortgage Loans only in accordance with such requirements and by establishing reasonable procedures to ensure compliance with such requirements, including investigation by the Mortgage Lenders and the Servicer or the Department (or its agent) to determine that each 2019A Mortgage Loan meets such requirements; (ii) to use all due diligence to assure that all of the Proceeds of the Series 2019A Bonds that are applied to the financing of 2019A Mortgage Loans are applied to finance 2019A Mortgage Loans that, as of the date of execution thereof, meet all such requirements; and (iii) to correct any failure to meet such requirements within a reasonable period after such failure is first discovered by causing the non-qualifying 2019A Mortgage Loan to be accelerated or to be replaced with a 2019A Mortgage Loan that meets such requirements if the non-qualifying 2019A Mortgage Loan defect cannot be cured within such reasonable period.

2. The Department covenants and agrees to require, and the Program Agreement requires, with respect to each 2019A Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(c) of the Code, the residence being financed with the proceeds of such 2019A Mortgage Loan is a single-family residence located within the State that the Borrower reasonably expects to occupy as his or her principal residence within a reasonable time (e.g., 60 days) after the financing is provided.

3. The Department covenants and agrees to require, and the Program Agreement requires, with respect to each 2019A Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(d) of the Code, the Borrower has not had, within the three-year period ending on the date of execution of the applicable 2019A Mortgage Loan, a present ownership interest in a principal residence; provided, however, that (i) the Department may purchase 2019A Mortgage Loans that do not satisfy the foregoing requirement, so long as such purchase does not cause less than 95% of the Net Proceeds of the Series 2019A Bonds to have been used to finance such non-conforming loans; (ii) financings with respect to targeted area residences will be treated as meeting such requirement; (iii) financings described in the Contract For Deed Exception will be treated as meeting such requirement; and (iv) financings of any residence for any veteran (as defined in Section 101 of Title 38, United States Code), if such veteran has not previously qualified for and received financing pursuant to the exception, will be treated as meeting such requirement.

4. The Department covenants and agrees to require and the Program Agreement requires, with respect to each 2019A Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(e) of the Code, the acquisition cost of the residence being financed with the proceeds of such 2019A Mortgage Loan does not exceed 90% of the average area purchase price applicable to such residence (110% in the case of a targeted area residence).

5. The Department covenants and agrees to require and the Program Agreement requires, with respect to each 2019A Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(f) of the Code, the Borrower's family income does not exceed: (i) for an individual or a family of two persons, 100% of the applicable median family income (120% in the case of a Borrower acquiring a targeted area

residence); or (ii) for a family of three or more persons, 115% of the applicable median family income (140% in the case of a Borrower acquiring a targeted area residence).

6. The Department covenants and agrees to require and the Program Agreement requires, with respect to each 2019A Mortgage Loan, a certification of the Borrower and other appropriate evidence demonstrating that, in accordance with Section 143(i) of the Code, the 2019A Mortgage Loan is not made for the purpose of acquiring or replacing an existing mortgage (i.e., that the Borrower does not have an existing mortgage (whether or not paid off) on the residence securing the 2019A Mortgage Loan at any time prior to the execution of the 2019A Mortgage Loan), except for a mortgage falling within the Contract for Deed Exception or a mortgage securing a construction period loan, a bridge loan or other similar temporary initial financing having a term of 24 months or less. The Department further covenants and agrees not to permit the assumption of any 2019A Mortgage Loan unless the requirements described in subsection 2, 3, 4 and 5, respectively, of this Section 4.3 are met with respect to such assumption. Borrowers described in the Contract for Deed Exception shall be treated as meeting the requirements of this paragraph 6.

7. The Department covenants and agrees to require and the Program Agreement requires, that each 2019A Mortgage Loan include provisions for acceleration in the event that the Department discovers that any of such mortgage eligibility requirements have not been met with respect to such 2019A Mortgage Loan.

8. The following terms used in this Section 4.3 shall have the respective meanings set forth in Section 143 of the Code and applicable regulations thereunder: acquisition cost, applicable median family income, average area purchase price, family income, mortgage, present ownership interest, principal residence, residence, single family residence, and targeted area residence.

Section 4.4 Targeted Area Residences. The Department covenants and agrees that an amount equal to at least 20% of the proceeds of the Series 2019A Bonds that are made available for the purchase of 2019A Mortgage Loans have been or will be made available for at least one year after the date on which owner-financing was first made available with respect to targeted area residences (within the meaning of Section 143(j) of the Code). The Department shall attempt with reasonable diligence to use such proceeds to purchase mortgage loans pertaining to such targeted area residences by conducting an advertising campaign reasonably designed to inform the general public of the availability of such proceeds, and shall take such other and further actions to assure that, to the maximum extent practicable, such proceeds are used for such purpose.

Section 4.5 Mortgage Rate. The Department will take all actions necessary to ensure that the blended Yield on the 2019A Mortgage Loans properly allocable under Sections 1.148-1 through 1.148-10 of the Regulations to the Series 2019A Bonds will not exceed the Yield on the Series 2019A Bonds (all as computed by or on behalf of the Department in accordance with Section 143(g) of the Code and Sections 1.148-1 and 1.148-10 of the Regulations) by more than 1.125%. To the extent that the Yield on the 2019A Mortgage Loans exceeds the Yield on the Series 2019A Bonds by more than 1.125%, the Department will make yield reduction payments (“Yield Reduction Payments”) to the federal government as set forth in Section 1.148-5(c) of the Regulations and as set forth below.

Section 4.6 Rebate Requirement. The Department covenants to comply with the requirement that “rebateable arbitrage earnings” on the investment of the Gross Proceeds of the Series 2019A Bonds, within the meaning of Section 148(f) of the Code, be rebated to the federal government.

1. Delivery of Documents and Money on Computation Dates. The Department shall deliver to the Trustee, within 55 days after each Computation Date for the Series 2019A Bonds,

(i) a statement, signed by an Authorized Representative of the Department, stating the Rebate Amount for the Series 2019A Bonds as of such Computation Date and the amount of any Yield Reduction Payments due;

(ii) (A) if such Computation Date is an Installment Computation Date, an amount which, together with any amount then held in the 2019A Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 2019A Bonds and Yield Reduction Payments, or (B) if such Computation Date is a Final Computation Date, an amount which, together with any amount then held for the credit of the 2019A Rebate Fund is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” (determined in accordance with Section 1.148-3(f)(1) of the Regulations), made to the United States of America with respect to the Series 2019A Bonds and Yield Reduction Payments; and

(iii) an Internal Revenue Service Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate (“Form 8038-T”) properly signed and completed as of such Computation Date.

2. Correction of Underpayments. If the Department discovers or is notified that any amount due to the United States of America in an amount described in Section 4.6.1(ii) above has not been paid as required pursuant to Section 4.6.1(ii) or that any payment paid to the United States of America pursuant hereto has failed to satisfy any requirement of Section 148(f) of the Code or Section 1.148-3 of the Regulations (whether or not such failure shall be due to any default by the Department or the Trustee), the Department will (i) deliver to the Trustee (for deposit to the 2019A Rebate Fund) and cause the Trustee to pay to the United States of America from the 2019A Rebate Fund (A) the Rebate Amount or Yield Reduction Payments that the Department failed to pay, plus any interest specified in Section 1.148-3(h)(2) of the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (B) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (A) of this subparagraph plus the 50 percent penalty required by Section 1.148-3(h)(1) of the Regulations, and (ii) deliver to the Trustee and the Department a Form 8038-T completed as of such date. If such Rebate Amount or Yield Reduction Payments, together with any penalty and/or interest due, is not paid to the United States of America in the amount and manner and by the time specified in the Regulations, the Department will take such steps as are necessary to prevent the Series 2019A Bonds from becoming an “arbitrage bond” within the meaning of Section 148 of the Code. The

Trustee shall not be liable for any penalties incurred with respect to the calculation and payment of the Rebate Amount or Yield Reduction Payments.

3. Records. The Department will retain all of its accounting records relating to the Funds, Accounts and Subaccounts and all calculations made in preparing the statements described in this Section 4.6 for at least three years after the later of (i) the final maturity of the Series 2019A Bonds or (ii) the first date on which no Series 2019A Bonds is Outstanding.

4. Fees and Expenses. The Department agrees to pay all of the fees and expenses of a nationally recognized bond counsel, a certified public accountant and any Rebate Analyst or other necessary consultant employed by the Department or the Trustee in connection with computing the Yield Reduction Payments and Rebate Amount.

5. No Diversion of Rebatable Arbitrage. The Department will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Series 2019A Bonds that is not purchased at fair market value (as defined in Section 1.148-5(d)(6)(iii) of the Regulations) or includes terms that the Department would not have included if the Series 2019A Bonds were not subject to Section 148(f) of the Code.

6. Amounts Not Required in Certain Circumstances.

(i) Notwithstanding the foregoing, the Department will not be required to perform the obligations set forth in this Section 4.6, except for the obligation to retain accounting records and the payment of expenses as described herein, if (A) the Yield on the Mortgage Loans does not exceed the Yield on the Bonds by more than 1.125% or (B) the Department has not earned any “rebtable arbitrage earnings” and, therefore, is not subject to the rebate obligation set forth in Section 148(f) of the Code. To the extent that the Department will not be required to perform such obligations, the Department will send written notice to the Trustee within 55 after the applicable Computation Date.

(ii) Notwithstanding anything to the contrary in this Supplemental Indenture requiring a payment to be made based on the Rebate Analyst’s calculations showing a rebate being due, no payment will be made by the Trustee to the United States of America if the Department furnishes to the Trustee a Favorable Opinion of Bond Counsel.

Section 4.7 No-Arbitrage Covenant. The Department shall certify, through an Authorized Officer that, based upon all facts and estimates known or reasonably expected to be in existence on the Issuance Date, the Gross Proceeds of the Series 2019A Bonds will not be used in a manner that would cause the Series 2019A Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. Furthermore, such Authorized Officer is authorized and directed to provide certifications of facts, estimates, and circumstances that are material to the reasonable expectations of the Department as of the Issuance Date. In particular, such Authorized Officer is authorized to certify the reasonable expectations of the Department on the Issuance Date regarding the amount and use of the Gross Proceeds of the Series 2019A Bonds and the facts and estimates on which such expectations are based. Moreover, the Department covenants that it will make such use of the Gross Proceeds of the Series 2019A Bonds and related Revenues, regulate investments

of proceeds of the Series 2019A Bonds and related Revenues, and take such other and further action as may be required so that the Series 2019A Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable Regulations thereunder. The Department hereby expressly reserves the right to direct the Trustee or any Depository to make specific investments to ensure compliance with this Section 4.7 and Section 4.8.

Section 4.8 Limitations on Investments of Reserve Amounts. The Department covenants and agrees that at no time will the aggregate amount of money held in any reasonably required reserve for the Series 2019A Bonds that is invested in Nonpurpose Investments and at a yield higher than the yield on such Series 2019A Bonds, exceed the least of (i) 10% of the Sale Proceeds of the Series 2019A Bonds; (ii) the maximum annual principal and interest requirements on the issue, or (iii) 125 percent of the average annual principal and interest requirements on the issue.

Section 4.9 Limitations on Issuance Costs. The Department covenants and agrees that the Costs of Issuance financed with the Proceeds of the Series 2019A Bonds will not exceed two percent of the Sale Proceeds of the Series 2019A Bonds.

Section 4.10 No Federal Guaranty. The Department covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause any of the Series 2019A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code, except as permitted by Section 149(b) of the Code.

Section 4.11 Information Reporting. The Department covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2019A Bonds are issued, an information statement concerning the Series 2019A Bonds, all under and in accordance with Section 149(e) of the Code, and that it will file or cause to be filed such additional information reports as may be required by Section 149(e) of the Code.

Section 4.12 Public Approval. The Department represents that the issuance of the Series 2019A Bonds was approved, for purposes of Section 147(f) of the Code, by the Attorney General of the State, the chief elected legal officer of the executive branch of the State, after a public hearing following reasonable public notice.

Section 4.13 Volume Cap. The Department represents that the initial aggregate principal amount of the Series 2019A Bonds does not exceed the limitations imposed by applicable laws of the State relating to the volume cap imposed by Section 146 of the Code.

Section 4.14 Changes in Use of Mortgaged Property. The Department acknowledges that the provisions of Section 150(b) of the Code (relating to changes in use of property financed with the proceeds of private activity bonds) apply to the 2019A Mortgage Loans (including Mortgage Loans represented by Mortgage Certificates), and covenants and agrees to advise each Borrower with respect to a Mortgage Loan of such provisions.

Section 4.15 Use of Repayments to Redeem Series 2019A Bonds. So long as any of the Series 2019A Bonds are Outstanding, the Department covenants and agrees that each Mortgage Loan Principal Payment with respect to a 2019A Mortgage Loan received on or after the ten-year

anniversary of the Issuance Date will be used to redeem Series 2019A Bonds not later than the close of the first semiannual period beginning after the date such Mortgage Loan Principal Payment is received, unless the Department has received a Favorable Opinion of Bond Counsel and the Department has fulfilled the other requirements of Section 2.7 with respect to the use of such payments to redeem other Bonds.

Section 4.16 Recapture. The Department covenants and agrees to comply with the provisions of Section 143(m) of the Code (regarding the recapture of a portion of the federal subsidy from the use of qualified mortgage bonds) with respect to each 2019A Mortgage Loan.

Section 4.17 Bonds are not Hedge Bonds. The Department covenants and agrees that not more than 50 percent of the Sale Proceeds of the Series 2019A Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the Department reasonably expects that at least 85 percent of the spendable proceeds of the Series 2019A Bonds will be used to carry out the governmental purposes of the Series 2019A Bonds within the three-year period beginning on the Issuance Date.

Section 4.18 Sale 2019A Mortgage Certificates. Notwithstanding any other provision of the Indenture, the Department may sell the 2019A Mortgage Certificates in whole or in part only upon delivery by the Department of (i) a Counsel's Opinion that such sale will not cause all or any portion of the 2019A Mortgage Certificates, or the Series 2019A Bonds to be classified as a "taxable mortgage pool" within the meaning of Section 7701(i) of the Code; 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).

Section 4.19 Record Retention. The Department will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Series 2019A Bonds until three years after the last Series 2019A Bond is redeemed or matures, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Department to retrieve and reproduce such books and records in the event of an examination of the Series 2019A Bonds by the Internal Revenue Service.

Section 4.20 Continuing Obligation. Notwithstanding any other provision of this Supplemental Indenture, the Department's obligations under the covenants and provisions of this Article IV will survive the defeasance and discharge of the Series 2019A Bonds for as long as such matters are relevant to the excludability of interest on the Series 2019A Bonds from gross income for federal income tax purposes.

[End of Article IV]

ARTICLE V

OTHER MATTERS

Section 5.1 Limitation on Department Expenses. Initially, the amount of Revenues relating to the Series 2019A Bonds that may be transferred to the 2019A Expense Account pursuant to subsection 4 of Section 505 of the Indenture shall not exceed, during any year, an amount equal to [____%] of the outstanding principal balance of the 2019A Mortgage Certificates, determined as of each January 1 and July 1, and payable on each January 1 and July 1, beginning July 1, 2019.

Section 5.2 Transfer of Unexpended Proceeds. Upon receipt by the Trustee of a certification from the Department as described in Section 2.7.1, the Trustee shall transfer the amounts set forth in such certification to the 2019A Special Redemption Account to redeem Series 2019A Bonds pursuant to Section 2.7.1. Any amounts in the 2019A Mortgage Loan Account remaining unexpended for acquisition of 2019A Mortgage Certificates on the last day of the Certificate Purchase Period (or such earlier date as directed in writing by the Department), as such date may be extended as provided herein, shall be transferred to the 2019A Special Redemption Account and applied to the redemption of Series 2019A Bonds pursuant to Section 2.7.1. The Certificate Purchase Period for amounts in the 2019A Mortgage Loan Account may be extended to a date certain as set out in a Letter of Instructions to the Trustee, but not later than _____, _____, upon delivery to the Trustee no later than 30 days prior to the last day of the then existing Certificate Purchase Period of the following:

- (i) a Favorable Opinion of Bond Counsel; and
- (ii) confirmation from each Rating Agency that such extension will not adversely affect the rating on the Series 2019A Bonds assigned by such Rating Agency.

The Department shall provide written notice to the Servicer at least thirty (30) days prior to the last day of the then existing Certificate Purchase Period of any such proposed extension of the Certificate Purchase Period.

Section 5.3 Application of Amounts in 2019A Revenue Account.

(i) Unless otherwise directed by the Department pursuant to a Letter of Instructions accompanied by a Cashflow Certificate and a confirmation from each Rating Agency of the then current ratings on the Series 2019A Bonds, all Revenues received with respect to the 2019A Mortgage Certificates shall be deposited in the 2019A Revenue Account.

(ii) Pursuant to subsection 3 of Section 505 of the Indenture, the Trustee shall set aside monthly in the 2019A Revenue Account, Mortgage Loan Principal Payments in an amount equal to one-sixth of the amount required to make the scheduled mandatory redemption of Series 2019A Bonds, on the following January 1 or July 1 and shall transfer to the 2019A Special Redemption Account all remaining Mortgage Loan Principal Payments relating to the 2019A Mortgage Certificates to be used to redeem Series 2019A Bonds in accordance with Section 2.7.2 of this Series Supplement unless otherwise directed

by a Letter of Instructions accompanied by a Cashflow Statement giving effect to the actions directed in such Letter of Instructions.

Section 5.4 Application of Residual Revenues. Pursuant to subsection 1 of Section 512 of the Indenture, the Trustee shall transfer all amounts from the 2019A Residual Revenues Account to the 2019A Special Redemption Account to redeem Series 2019A Bonds in accordance with Section 2.7.3, unless otherwise directed by a Letter of Instructions accompanied by a Cashflow Certificate.

Section 5.5 Limitations on Mortgage Loans. The Department covenants and agrees that each Mortgage Loan contained in a mortgage pool represented by a 2019A Mortgage Certificate shall satisfy the following requirements:

(i) each 2019A Mortgage Loan shall bear interest (which interest shall be payable in arrears) at the applicable Pass-Through Rate plus .50%;

(ii) each 2019A Mortgage Loan shall have a term of 30 years and shall provide for level monthly payments and full amortization over the term thereof;

(iii) each 2019A Mortgage Loan shall be secured by a Mortgage creating a first lien on the residence being financed with the proceeds of such 2019A Mortgage Loan;

(iv) each 2019A Mortgage Loan shall be (A) insured by the FHA pursuant to Section 203, 221(d)(2) or 234(c) of the National Housing Act of 1934, as amended, in accordance with the applicable standards of the FHA, (B) guaranteed by the VA under the Servicemen's Readjustment Act of 1945, as amended, in accordance with applicable standards of the VA, (C) guaranteed by RHS under the Cranston-Gonzales National Affordable Housing Act of 1990 or (D) a Conventional Mortgage Loan that satisfies the requirements of Fannie Mae;

(v) each 2019A Mortgage Loan shall be further secured by Supplemental Mortgage Security in the form of the guaranty provided by Ginnie Mae or Fannie Mae pursuant to a Ginnie Mae Certificate or Fannie Mae Certificate;

(vi) each residence financed with a 2019A Mortgage Loan shall be a single family attached or detached house, a single unit in a condominium development or a planned unit development or a qualifying duplex (but not a triplex or fourplex or manufactured housing that is not permanently affixed to real property owned by the Borrower);

(vii) each 2019A Mortgage Loan shall be acquired by the Department with moneys disbursed from the 2019A Mortgage Loan Account during the Certificate Purchase Period; and

(viii) such other requirements as may be set forth in the Program Agreement.

The Department covenants and agrees that each DPA Loan meets the requirements set forth in the Program Guidelines.

Section 5.6 Covenant Relating to the Program Agreement. The Department represents and covenants that the Program Agreement incorporates the requirements set forth in Article IV and Section 5.5 of this Series Supplement. The Department further covenants and agrees to obtain, prior to or upon any amendment thereof, a Counsel's Opinion that: (i) the form and substance of such amendment are consistent with the requirements of the Indenture and this Series Supplement; and (ii) that the execution and delivery of such amendment by the Department, the Trustee and one or more Mortgage Lenders, and the consummation of the transactions contemplated thereby, will not adversely affect the exclusion of the interest on the Series 2019A Bonds from the gross income of the Holders thereof for purposes of federal income taxation.

Section 5.7 Depository. In accordance with Section 914 of the Indenture, the Department hereby appoints the Texas Treasury Safekeeping Trust Company as Depository for the purpose of holding, administering and investing the moneys and securities required to be credited to all Accounts other than the 2019A Interest Account, the 2019A Principal Account, and the 2019A Rebate Fund, all as more fully provided in the Depository Agreement.

Section 5.8 Certain Requirements Applicable to Cashflow Statements. The Department covenants and agrees, with respect to each Cashflow Statement filed with the Trustee, that such Cashflow Statement shall demonstrate the sufficiency of the anticipated Revenues (as more fully set forth in Section 711 of the Indenture).

Section 5.9 Certain Conditions of Issuance of the Series 2019A Bonds. The Series 2019A Bonds shall be executed by the Department and, except for the initially issued Series 2019A Bonds registered by the Comptroller of Public Accounts of the State of Texas, shall be delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by it to the Department or upon its order, but only upon receipt by the Trustee of the following (in addition to the documents required under the Indenture):

- (i) an executed counterpart of this Series Supplement;
- (ii) a certificate of an Authorized Representative of the Department to the effect that, on the basis of all facts and estimates and circumstances (including covenants of the Department contained in the Indenture) reasonably expected to be in existence on the Issuance Date, it is not expected that the proceeds of the Series 2019A Bonds will be used in a manner that would cause the Series 2019A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and applicable Regulations thereunder, and such certificate shall set forth such facts, estimates, and circumstances (including covenants of the Department contained in the Indenture), which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized Representative of the Department there are no other facts, estimates, or circumstances that would materially change such expectation;
- (iii) an executed counterpart of the Depository Agreement in satisfaction of the requirements of subsection 1 of Section 914 of the Indenture, together with an opinion of counsel to the Depository regarding the enforceability thereof; and

(iv) the amounts specified in this Series Supplement to be deposited in the Accounts as required therein.

Section 5.10 Sale of Series 2019A Bonds. The Series 2019A Bonds shall be sold to the Underwriters subject to the terms and conditions set forth in the Purchase Agreement, and upon the basis of the representations therein set forth.

Section 5.11 Execution in Several Counterparts. This Series Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 5.12 Official Statement. The final Official Statement of the Department in the form presented at the meeting at which this Series Supplement was approved, with such changes, omissions, insertions, and revisions as the Chair or Vice Chair of the Governing Board of the Department or the Executive Director or Acting Director of the Department or the Director of Bond Finance and Chief Investment Officer shall deem advisable, is hereby authorized and the Chair or Vice Chair of the Governing Board of the Department or the Executive Director or Acting Director of the Department or the Director of Bond Finance and Chief Investment Officer shall sign and deliver such final Official Statement, and deliver the Indenture and this Series Supplement to the Underwriters for distribution to prospective purchasers and other interested persons.

The form of the Preliminary Official Statement of the Department and the distribution of such Preliminary Official Statement by the Underwriters is hereby ratified, confirmed, and approved.

Section 5.13 Certain Duties of the Department. The Department covenants and agrees that, in addition to such other duties as may be required under the Indenture and this Series Supplement, the Department will not voluntarily take any action or fail to take any action that will impair the ability of the Department to satisfy the Asset Test set forth in the Indenture during any period in which the Series 2019A Bonds remain Outstanding or amounts set aside for the Program remain unexpended.

Section 5.14 No Recourse on Series 2019A Bonds. No recourse shall be had for payment of the principal or Redemption Price of or interest on the Series 2019A Bonds or for any claim based thereon or on this Series Supplement against any member of the Governing Board of the Department, officer or employee of the Department or the Trustee or any person executing or authenticating the Series 2019A Bonds, and neither the members of the Governing Board of the Department, officers or employees of the Department or the Trustee nor any person executing or authenticating the Series 2019A Bonds shall be liable personally on the Series 2019A Bonds by reason of the issuance thereof.

Section 5.15 Protection of Trust Estate.

1. At the request of the Trustee, the Department will from time to time execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will take such other action as may be necessary or advisable to:

- (i) grant more effectively all or any portion of the Trust Estate;
- (ii) maintain or preserve the lien of the Indenture and this Series Supplement or carry out more effectively the purposes hereof;
- (iii) perfect, publish notice of or protect the validity of any grant made or to be made by the Indenture or this Series Supplement;
- (iv) enforce any of the documents executed in connection with this Series Supplement;
- (v) preserve and defend title to the Trust Estate and the rights of Trustee and of owners of the Series 2019A Bonds in the other property held as part of the Trust Estate against the claims of all Persons and parties; or
- (vi) pay all taxes or assessments levied or assessed upon the Trust Estate when due.

2. The Department hereby designates the Trustee as its agent and attorney-in-fact to execute any financing statement, continuation statement or other instrument required pursuant to this Section 5.15; provided, however, that such designation shall not be deemed to create a duty on the Trustee to monitor the compliance of the Department with the foregoing covenants and provided further, that the duty of the Trustee to execute any instrument required pursuant to this Section 5.15 shall arise only if the Trustee has actual knowledge or has been notified in writing of any failure of the Department to comply with the provisions of this Section 5.15. Such power-of-attorney is coupled with an interest and is irrevocable, and the Department hereby ratifies and confirms all that the Trustee may do by virtue thereof.

Section 5.16 Continuing Disclosure Relating to Other Obligated Persons. The Governing Board of the Department hereby determines that an Other Obligated Person would be an “obligated person” (as defined in Rule 15c2-12 (the “Rule”)), for whom financial information and operating data would be presented in any final official statement relating to the Series 2019A Bonds had such Person been known at the time of the offering thereof. Based upon the objective criteria specified in the definition of Other Obligated Person, the Governing Board of the Department concludes that no Borrower eligible to participate in the Program would be an Other Obligated Person.

Section 5.17 Agreement Regarding Assumption of Certain Home Loans. The Governing Board of the Department agrees not to permit the assumption of any Mortgage Loan that would cause any Person to become an Other Obligated Person.

Section 5.18 Indemnification of Trustee. To the extent permitted by law, the Department agrees to indemnify and save harmless the Trustee from all losses, liabilities, costs, and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of or arising from the performance of its duties hereunder, unless such losses, liabilities, costs, and expenses shall have been finally adjudicated to have resulted from the bad faith or negligence of the Trustee. Such indemnification shall survive the resignation or removal of the Trustee. The

obligations of the Department under this Section, if any, are payable solely from amounts available for such purpose on deposit under the Indenture.

Section 5.19 Additional Investment Securities. For purposes of the Indenture and the Series 2019A Bonds, the term “Investment Securities” shall include the **[Investment Agreement]** dated _____, 2019, between _____ and the Department (the “2019A Investment Agreement”). The Department hereby represents that it has received a letter from each Rating Agency evidencing that the inclusion of the 2019A Investment Agreement in the definition of “Investment Securities” will not adversely effect, in and of itself, any rating assigned to the Bonds by a Rating Agency as of the date hereof.

Section 5.20 Consent to Certain Amendments Given Through Ownership of Series 2019A Bonds. **[Provide for consent to Amended and Restated Trust Indenture.]**

[End of Article V]

IN WITNESS WHEREOF, the Department and the Trustee have caused this Series Supplement to be signed, sealed, and attested on their behalf by their duly authorized representatives, all as of the date first hereinabove written.

TEXAS DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

By: _____
Chair

Attest:

Secretary

(SEAL)

*Department's Signature Page to
Thirty-Third Series Supplement*

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

*Trustee's Signature Page to
Thirty-Third Series Supplement*

[To be updated per revisions to Series Supplement]

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA

STATE OF TEXAS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RESIDENTIAL MORTGAGE REVENUE BOND

SERIES 2019A

THE ORIGINAL PRINCIPAL AMOUNT OF THIS BOND IS SUBJECT TO REDUCTION UPON PAYMENT OF AMOUNTS CAUSING A PARTIAL REDEMPTION OF THIS BOND AS PROVIDED HEREIN; THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND WILL BE AS SHOWN ON THE REGISTRY BOOKS KEPT BY THE WITHIN-NAMED TRUSTEE

[THE STATED PRINCIPAL AMOUNT OF THIS BOND WHILE REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK, OR ITS NOMINEE MAY BE REDUCED BY THE AMOUNT OF REDEMPTIONS OF ANY BONDS OR PORTIONS THEREOF]¹

No. _____ \$ _____

Interest Rate: _____ Dated Date: _____ CUSIP: _____ Maturity Date: _____

Registered Owner: _____

Principal Amount: _____ DOLLARS

The TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (herein called the "Department"), a public and official agency of the State of Texas, acknowledges itself indebted to, and FOR VALUE RECEIVED, hereby promises to pay to the registered owner named above or registered assigns, but solely from the sources and in the manner hereinafter provided, on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay

¹ To be included only in bonds registered in the name of DTC or its nominee.

interest on such Principal Amount in like coin or currency from the Dated Date (as defined below) of this Bond or from the most recent date to which interest on this Bond (or any Bond in exchange for, or in lieu of, which this Bond was issued), has been paid at the interest rate per annum set forth above, calculated on the basis of a 360-day year composed of twelve 30-day months, payable on July 1, 2019, and each January 1 and July 1 thereafter (each, an “Interest Payment Date”) to the date of maturity or earlier redemption, until the Department’s obligation with respect to the payment of such Principal Amount shall be discharged. The Principal Amount or Redemption Price of this Bond shall be payable upon presentation and surrender of this Bond, at the applicable office of The Bank of New York Mellon Trust Company, N.A. (such bank and any successor in such capacity being referred to as the “Trustee”). The interest on each Series 2019A Bond shall be paid by check mailed on the Interest Payment Date to the Person in whose name such Series 2019A Bond is registered at the close of business on the 15th day of the month (whether or not a Business Day) immediately preceding the applicable Interest Payment Date, at the address of such Person as shown on the Bond registration books kept by the Trustee. Notwithstanding the foregoing, in no event shall the cumulative amount of interest paid or payable on any Bond (including interest calculated as provided in the Indentures (as defined below), together with all other amounts that constitute interest on the Bonds under the laws of the State of Texas that are contracted for, charged, reserved, taken or received pursuant to the Indentures) through any Interest Payment Date or through the date of payment of such Bond (whether at maturity, by acceleration or upon earlier redemption) exceed the “net interest cost” that will produce a “net effective interest rate” of greater than 15% per annum or, to the extent allowed by law, such greater “net effective interest rate” as may be allowed from time to time. The terms “net interest cost” and “net effective interest rate,” as used herein, shall have the respective meanings ascribed to them in Chapter 1204, Texas Government Code, as amended. This Bond shall be dated as of the date six months preceding the Interest Payment Date next following the date of authentication hereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case this Bond shall be dated as of such date of authentication, or unless such date of authentication shall be prior to July 1, 2019, in which case this Bond shall be dated as of the Issuance Date; provided that if interest on this Bond shall be in default, Bonds issued in lieu of this Bond upon surrender for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered (herein, the “Dated Date”).

This Bond is a limited obligation of the Department and is one of the Bonds of the Department designated “Residential Mortgage Revenue Bonds” (herein called the “Bonds”), issued and to be issued in various series under and pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as such may be amended from time to time (together with the laws of the State of Texas applicable to the Department, collectively, the “Act”), and Chapter 1371, Texas Government Code, and under and pursuant to an indenture of the Department entitled “Residential Mortgage Revenue Bond Trust Indenture”, dated as of November 1, 1987, as amended and supplemented (herein called the “Indenture”), and a supplemental indenture of the Department entitled “Thirty-Third Supplemental Residential Mortgage Revenue Bond Trust Indenture”, dated as of March 1, 2019, authorizing the series of Bonds of which this Bond is a part (herein called the “Supplemental Indenture” and together with the Indenture called the “Indentures”). All defined terms used herein, but not otherwise defined, shall have the same definitions ascribed to them in the Indentures. As provided in the Indenture, Bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and subject to the

provisions thereof, may otherwise vary. All Bonds issued and to be issued under the Indenture are and will be equally secured by the pledges, assignments in trust and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE LIMITED OBLIGATIONS OF THE DEPARTMENT AND ARE PAYABLE ONLY FROM REVENUES OR FUNDS OF THE DEPARTMENT PLEDGED UNDER THE INDENTURES. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH OR CREDIT OR TAXING POWER OF THE STATE OF TEXAS. THE DEPARTMENT HAS NO TAXING POWER.

This Bond is one of a series of Bonds designated “Residential Mortgage Revenue Bonds, Series 2019A” (herein sometimes called the “Series 2019A Bonds”) issued in the aggregate initial Principal Amount of \$ _____ under the Indentures to provide funds to finance the acquisition of mortgage loans through the purchase of Mortgage Certificates backed by qualified mortgage loans. Copies of the Indentures are on file at the office of the Department and at the applicable office of the Trustee and reference to the Indentures and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges, assignments in trust, and covenants securing the Bonds; the nature, extent, and manner of enforcement of such pledges, assignments in trust, and covenants; the rights and remedies of the registered owners of the Bonds with respect thereto; the terms and conditions upon which the Bonds are issued and may be issued thereunder; and other matters, to all of which the owner of this Bond assents by the acceptance of this Bond.

[Update:] The Department has heretofore issued \$30,000,000 Residential Mortgage Revenue Bonds, Series 1987A; \$25,000,000 Residential Mortgage Revenue Bonds, Series 1987B; \$47,000,000 Residential Mortgage Revenue Bonds, Series 1987C; \$47,000,000 Residential Mortgage Revenue Bonds, Series 1987D; \$40,920,000 Residential Mortgage Revenue Bonds, Series 1988A; \$44,000,000 Residential Mortgage Revenue Bonds, Series 1989A; \$45,000,000 Residential Mortgage Revenue Bonds, Series 1989B; \$102,055,000 Residential Mortgage Revenue Bonds, Series 1998A; \$14,300,000 Residential Mortgage Revenue Refunding Bonds, Series 1998B; \$25,615,000 Residential Mortgage Revenue Refunding Bonds, Series 1999A; \$102,260,000 Residential Mortgage Revenue Bonds, Series 1999B; \$12,150,000 Residential Mortgage Revenue Refunding Bonds, Series 1999C; \$26,355,000 Residential Mortgage Revenue Refunding Bonds, Series 1999D; \$50,000,000 Residential Mortgage Revenue Refunding Bonds, Series 2000A; \$82,975,000 Residential Mortgage Revenue Bonds, Series 2000B; \$13,675,000 Residential Mortgage Revenue Refunding Bonds, Series 2000C; \$18,265,000 Residential Mortgage Revenue Refunding Bonds, Series 2000D; \$10,000,000 Residential Mortgage Revenue Bonds, Taxable Series 2000E; \$52,715,000 Residential Mortgage Revenue Bonds, Series 2001A; \$15,585,000 Residential Mortgage Revenue Refunding Bonds, Series 2001B; \$32,225,000 Residential Mortgage Revenue Refunding Bonds, Series 2001C; \$300,000 Residential Mortgage Revenue Bonds, Series 2001D; \$54,300,000 Residential Mortgage Revenue Bonds, Series 2001E; \$42,310,000 Residential Mortgage Revenue Bonds, Series 2002A; \$74,655,000 Residential Mortgage Revenue Bonds, Series 2002B; \$73,630,000 Residential Mortgage Revenue Refunding Bonds, Series 2003A; \$80,000,000 Residential Mortgage Revenue Bonds, Series 2009A;

\$22,605,000 Residential Mortgage Revenue Refunding Bonds, Series 2009B; \$300,000,000 Residential Mortgage Revenue Bonds, Series 2009C; and \$60,000,000 Residential Mortgage Revenue Bonds, Series 2011A. To the extent outstanding, all of the foregoing Bonds are on a parity with and of equal dignity in all respects with the Series 2019A Bonds. The Department reserves the right in the Indentures to issue other bonds of the Department for other programs similar to the programs funded with the proceeds of the Bonds, and further reserves the right to issue bonds that are payable from the pledges and assignments in trust pursuant to the Indentures on a parity with or subordinate to the pledge under the Indentures all as provided in the Indentures.

The owner of this Bond shall have no right to enforce the provisions of the Indentures, or to institute any action with respect to any Event of Default (as defined in the Indenture), or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indentures.

This Bond is transferable, as provided in the Indentures, only upon the books of the Department kept for that purpose at the above-mentioned office of the Trustee, by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon, a new Bond or Bonds in the same aggregate Principal Amount shall be issued to the transferee in exchange herefor as provided in the Indentures, and upon payment of the charges therein prescribed. The Department and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, Redemption Price or purchase price hereof and interest due hereon and for all other purposes.

[EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURES, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR BOND DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR BOND DEPOSITORY.]²

The Series 2019A Bonds are issuable only in the form of fully registered Bonds without coupons in the denomination of \$5,000 Principal Amount or any integral multiple thereof.

To the extent and in the manner permitted by the terms of the Indentures, the provisions of the Indentures, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Department, with the written consent of the holders of at least 2/3 in Principal Amount of the Bonds of each series so affected then outstanding under the Indentures and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of the holders of at least 2/3 in Principal Amount of the Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; 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 under the Indentures, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit any of the following, without the consent of each Bondholder whose rights are affected

² To be deleted from the initially issued Bonds.

thereby: a change in the terms of maturity or redemption of any Bond or of any installment of interest thereon; a reduction in the Principal Amount or Redemption Price of any Bond or in the rate of interest thereon; the creation of a lien on or a pledge of the revenues pledged under the Indenture or any portion thereof that is superior to or on a parity with the lien of the Indenture; the granting of a preference or priority of any Bond or Bonds over any other Bond or Bonds; or a reduction in the aggregate Principal Amount or classes of Bonds, of which the consent of the registered owners is required to effect any such modification or amendment.

The Series 2019A Bonds are subject to redemption prior to stated maturity as set forth in the Supplemental Indenture.

In lieu of redeeming Series 2019A Bonds, the Department has reserved the right in the Indenture to purchase such Bonds.

Written notice of redemption shall be provided to the registered owner of each Series 2019A Bond to be redeemed, as shown on the Bond registration books kept by the Trustee, at least 30 days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Indentures. If notice of redemption shall have been given as aforesaid, the Series 2019A Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Series 2019A Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2019A Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The Department reserves the right to regulate or restrict the yield or return on the investment of the moneys in any fund, account, or subaccount created under the Indentures or any supplemental indenture, if in the opinion of counsel, such regulation or restriction is necessary in order for the interest on the Bonds (other than any series of taxable Bonds issued under the Indenture) of any series issued or to be issued under the Indenture to be exempt from federal income taxation.

The Act provides that neither the officers or directors of the Department nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

It is hereby certified and recited that all conditions, acts, and things required by law and the Indentures to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, exist, have happened, and have been performed and that the issuance of this Bond and the series of Bonds of which it is a part are duly authorized by the laws of the State of Texas.

This Bond shall not be entitled to any benefit under the Indentures or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate or the execution by the Comptroller of Public Accounts of the State of Texas of the Comptroller's Registration Certificate hereon.

IN WITNESS WHEREOF, the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS has caused this Bond to be signed in its name and on its behalf by the

manual or facsimile signature of its duly authorized representative, and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved, or otherwise reproduced and attested by the manual or facsimile signature of its Secretary.

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

By: _____
Chair

Attest:

Secretary

(SEAL)

[FORM OF COMPTROLLER'S REGISTRATION
CERTIFICATE ON EACH INITIALLY ISSUED BOND]

STATE COMPTROLLER'S REGISTRATION CERTIFICATE

OFFICE OF COMPTROLLER

Register No. _____

STATE OF TEXAS

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas approving this Bond and certifying that this Bond and the proceedings for the issuance thereof have been examined by him as required by law, and that he finds that this Bond has been issued in accordance with law and that it is a valid and binding limited obligation of the Texas Department of Housing and Community Affairs, payable from the revenues and other funds pledged to its payment by and in the proceedings authorizing the same, and I do further certify that this Bond has this day been registered by me as Comptroller.

WITNESS MY HAND AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
ON EACH BOND OTHER THAN INITIALLY ISSUED BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is to certify that the initial Bonds of this Series were approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this Bond is one of the Bonds delivered pursuant to the within-mentioned Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

FORM OF

SERVICER'S CERTIFICATE REGARDING PURCHASE OF
[GINNIE MAE] [FANNIE MAE] CERTIFICATE

Re: Texas Department of Housing and Community Affairs Bond Program 91

_____, which is acting as a Servicer in connection with the captioned bond program (the "Servicer"), does hereby make and execute this certificate pursuant to Section [4.02(b)(iii) for Ginnie Mae] [4.05 for Fannie Mae] of the Mortgage Acquisition Pooling and Servicing Agreement for Texas Department of Housing and Community Affairs Bond Program 91 dated as of October 3, 2016 (the "Servicing Agreement"), among the Texas Department of Housing and Community Affairs (the "Department"), The Bank of New York Mellon Trust Company, N.A., as trustee for bonds issued to implement the captioned program (the "Trustee"), and the Servicer. All capitalized terms used herein and not defined otherwise herein shall be defined as such terms are defined, respectively, in Section 1.01 of the Servicing Agreement or as defined by reference therein.

The Servicer intends to submit to the Trustee a Mortgage Certificate for purchase pursuant to the Servicing Agreement on [Insert Certificate Purchase Date]. The undersigned hereby certifies, on behalf of the Servicer, that the following information concerning such [Ginnie Mae] [Fannie Mae] Certificate and the Mortgage Loans forming the [Ginnie Mae] [Fannie Mae] Pool represented by such [Ginnie Mae] [Fannie Mae] Certificate is true and correct:

- (1) On _____, ____, the Servicer intends to sell to the Trustee a [Ginnie Mae] [Fannie Mae] Certificate in a principal amount equal to \$_____ at a [Ginnie Mae] [Fannie Mae] Certificate Purchase Price of \$_____, which amount equals 100% of the principal amount (as of the first day of the month in which delivery will occur) of the Mortgage Loans forming the [Ginnie Mae] [Fannie Mae] Pool represented by the [Ginnie Mae] [Fannie Mae] Certificate.
- (2) The acquisition price to the Servicer (less accrued interest) of each Mortgage Loan in the [Ginnie Mae] [Fannie Mae] Pool represented by the [Ginnie Mae] [Fannie Mae] Certificate was 100% of the outstanding principal balance of the Mortgage Loan at the time of purchase thereof.
- (3) 30 days' interest on such [Ginnie Mae] [Fannie Mae] Certificate, in the aggregate, equals \$_____, based on the outstanding Mortgage Loan balances as of the first day of the month in which delivery will occur.
- (4) The Pass-Through Rate on the [Ginnie Mae] [Fannie Mae] Certificate is ___% and the rate borne by the Mortgage Loans in the [Ginnie Mae] [Fannie Mae] Pool is _____%.
- (5) The final maturity of each Mortgage Loan is on or before _____.

- (6) After review by the Servicer as set forth in the Servicing Agreement, each Mortgage Loan purchased by the Servicer and included in the [Ginnie Mae] [Fannie Mae] Pool complies with the Mortgage Loan eligibility requirements set forth in the Program Agreement.
- (7) All prerequisites to the book-entry issuance of the [Ginnie Mae] [Fannie Mae] Certificate in the name of the Trustee have been satisfied.
- (8) The amount of Certificate Accrued Interest is \$_____ (which amount shall be paid to the Servicer by the Trustee upon receipt).
- (9) of the principal amount of the Mortgage Loans forming the [Ginnie Mae] [Fannie Mae] Pool represented by the [Ginnie Mae] [Fannie Mae] Certificate is for Targeted Area Loans.
- (10) The amount of the related DPA Loans is \$_____.

IN WITNESS WHEREOF, the Servicer has caused this Certificate to be executed this _____ day of _____, 20_.

[NAME OF SERVICER]

By: _____
Name: _____
Title: _____

[DELETE?]
FORM OF WAREHOUSE PROVIDER'S
CERTIFICATE REGARDING CERTIFICATE ACCRUED INTEREST

Re: Texas Department of Housing and Community Affairs Bond Program 91

First Southwest Company is a party to that certain Amended and Restated Warehousing Agreement (the "Warehousing Agreement") dated as of January 1, 2011 by and among the Texas Department of Housing and Community Affairs (the "Department"), The Bank of New York Mellon Trust Company, N.A., as trustee for the bonds issued to implement the captioned program (the "Trustee"), The Bank of New York Mellon Trust Company, N.A., as custodian, and PlainsCapital Bank and First Southwest Company (each a "Warehouse Provider" and collectively the "Warehouse Providers") All capitalized terms used herein and not defined otherwise herein shall be defined as such terms are defined, respectively, in the Warehousing Agreement or as defined by reference therein.

The Warehouse Provider intends to submit to the Trustee a Certificate for purchase pursuant to the Warehousing Agreement on [Insert Certificate Sale Date]. The undersigned hereby certifies, on behalf of the Warehouse Provider, that the following information concerning such [Ginnie Mae] [Fannie Mae] Certificate is true and correct:

- (1) The amount of principal to be received by the Warehouse Provider with respect to such Certificates in _____ is \$_____ (which amount shall be paid to the Trustee by the Warehouse Providers promptly upon receipt thereof). [To be included only for Certificates purchased on the Closing Date.]
- (2) The amount of accrued, unpaid interest to the Certificate Sale Date is \$_____ (which amount shall be paid to the Warehouse Providers by the Trustee promptly upon receipt thereof).

IN WITNESS WHEREOF, the Warehouse Provider has caused this certificate to be executed this _____ day of _____, 20__.

FIRST SOUTHWEST COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT D

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

Premium PAC Term Bonds
Outstanding Applicable
Amount

Premium PAC Term Bonds
Outstanding Applicable
Amount