

In the opinion of Bracewell & Giuliani, LLP ("Bond Counsel"), assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond for any period during which it is held by a "substantial user" of the Project or a "related person" of such a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended and (ii) interest on the Bonds is not subject to the alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for a discussion of Bond Counsel's opinion.

\$23,150,000

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Multifamily Housing Revenue Bonds
(Pass-Through – Williamsburg Apartments), Series 2015

Maturity Date: January 1, 2032; Final Payment Date: January 27, 2032; Interest Rate: 3.45%; Price: 101%; CUSIP No.: 88275A CW8†

Dated: December 1, 2015

The Bonds will be issued under the provisions of a Trust Indenture dated as of December 1, 2015 (the "Indenture") between the Texas Department of Housing and Community Affairs (the "Issuer") and Wilmington Trust, National Association, a national banking association, as trustee for the Bonds (the "Trustee"). The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), as fully registered bonds in the denomination of \$1.00 or any integral multiple thereof. Interest on and principal of the Bonds will be payable by the Trustee to Cede & Co., as nominee of DTC. Purchasers of the Bonds will not receive physical delivery of bond certificates. The Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. Any purchaser as a beneficial owner of a Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bond.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition and rehabilitation of a 418-unit residential rental housing development known as Williamsburg Apartments in Grand Prairie, Texas (the "Project"), and pay certain additional costs related thereto.

Upon the issuance of the Bonds, accrued interest thereon through December 1, 2016 (the "Mandatory Redemption Date") will be deposited to the Collateral Security Interest Account under the Indenture, and the balance of the Bond proceeds will be deposited into the Proceeds Fund. Pursuant to the terms of a Financing Agreement dated as of December 1, 2015 (the "Financing Agreement") among the Issuer, the Trustee, the Borrower and the Lender (as defined below), Bond proceeds deposited into the Proceeds Fund will (i) be used to pay or reimburse the Borrower for payment of certain costs of the Project or (ii) will be deposited to a Rehabilitation Account of the Proceeds Fund and used as directed by the Lender (as defined below) for rehabilitation of the Project. Bond proceeds (other than amounts deposited to the Collateral Security Interest Account and premium, if any, deposited to the Collateral Security Principal Account) shall not be part of the Trust Estate securing repayment of the Bonds.

The Bonds will initially be collateralized by (i) the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from the assignment to Red Mortgage Capital, LLC (the "Lender") of a first mortgage loan (the "Mortgage Loan") to be made by the Issuer to Dalcro Williamsburg, Ltd., a Texas limited partnership (the "Borrower"), fully funded by the Issuer in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds (such assigned Mortgage Loan being referred to herein as the "Assigned Loan"), and (ii) by the deposit to the Collateral Security Interest Account of the Collateral Security Fund of the accrued interest on the Bonds as well as certain Bond proceeds in an amount sufficient to pay interest on the Bonds through the Mandatory Redemption Date. Upon the satisfaction of certain conditions described herein as set forth in the Indenture, the Trustee will use moneys on deposit in the Collateral Security Fund to acquire a guaranteed mortgage MBS Certificate (the "Pass-Through Certificate"), backed by the Mortgage Loan on the Project, and to be issued by Fannie Mae.



It is expected that the Pass-Through Certificate will be acquired by the Trustee on or before January 26, 2016 (the "First Payment Date"), and in any event prior to the Mandatory Redemption Date, unless such Purchase Date (as defined herein) is extended as provided in the Indenture. Following the acquisition of the Pass-Through Certificate by the Trustee, payments of principal and interest on the Bonds will be payable from a pass through on the immediately following Payment Date on the Bonds of the principal and interest payments received by the Trustee on the Pass-Through Certificate. "Payment Date" means (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), and (iii) after the Purchase Date, one Business Day after each date on which a payment of principal, interest, and/or premium, if any, is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month [or the next Business Day if the 25th is not a Business Day] after payment is due on the underlying Mortgage Loan). The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the final Payment Date.

If the Pass-Through Certificate is not acquired by the Trustee on or before the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the Bonds will be redeemed at a redemption price of par plus \$231,500 (the "Original Issue Premium," and together with the par amount of the Bonds, the "Original Issue Price"), plus interest accrued on the Bonds to the Business Day preceding the such Mandatory Redemption Date (as such date may be extended under the Indenture) from moneys on deposit in the Collateral Security Fund under the Indenture.

The Bonds are subject to mandatory redemption at the times and in the events set forth in the Indenture and described herein.

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OF TEXAS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS AND THE RELATED FORM OF MBS PROSPECTUS SUPPLEMENT (AS DEFINED HEREIN). THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

The Bonds are offered when, as and if issued and received by the Underwriter, and subject to the delivery of the approving legal opinion of Bracewell & Giuliani, LLP, Austin, Texas, Bond Counsel to the Issuer, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden PC, Dallas, Texas. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP (US). Certain legal matters will be passed upon for the Borrower by its Shackelford, Melton, McKinley & Norton, LLC, Dallas, Texas. RBC Capital Markets, LLC will serve as Underwriter ("Underwriter"). Certain legal matters will be passed upon for the Underwriter by its Counsel, Eichner Norris & Neumann PLLC, Washington, D.C. Certain financial advisory services will be provided to the Issuer by George K. Baum & Company and Kipling Jones & Co. It is expected that the Bonds will be available for delivery in New York, New York through the facilities of DTC on or about December 9, 2015.

**RBC Capital Markets**

December 2, 2015

† CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the owners of the Bonds. Neither the State nor the Issuer is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or the Pass-Through Certificate or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, the Borrower, Fannie Mae or the Underwriter to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Issuer; Fannie Mae; the Borrower (in the case of information contained herein relating to the Borrower, the Mortgage Loan and the Project); and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, Fannie Mae or the Borrower, since the date hereof.

The information set forth herein relating to the Issuer under the headings “THE ISSUER” and “NO LITIGATION—The Issuer” has been obtained from the Issuer. The Issuer has not reviewed or approved any information in this Official Statement except the information relating to the Issuer under the foregoing headings. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof. The Issuer has not and will not agree to provide any annual financial statements or other credit information of the Issuer to investors on a periodic basis.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Fannie Mae has not provided or approved any information in this Official Statement except with respect to information under the caption “FANNIE MAE” and APPENDIX G – “FORM OF FANNIE MAE PROSPECTUS SUPPLEMENT.” Fannie Mae has not provided or approved the information under the caption “SUMMARY OF THE PASS-THROUGH CERTIFICATE ANTICIPATED TO BE ISSUED IN CONNECTION WITH THE MORTGAGE LOAN,” except for the information set forth in the last sentence of the first paragraph thereof and takes no responsibility for any other information contained in this Official Statement, and makes no representation as to the contents of this Official Statement. Without limiting the foregoing, Fannie Mae makes no representation as to the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Fannie Mae’s role with respect to the Bonds is limited to delivering the Pass-Through Certificate described herein to the Trustee.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

Except for any information provided by Wilmington Trust, National Association, concerning the Trustee, Wilmington Trust, National Association, has no responsibility for any information in this Official Statement. Wilmington Trust, National Association, in its capacity as Trustee, assumes no responsibility for the accuracy or completeness of the information concerning the Issuer or the Borrower or their respective affiliates or any other

party contained in this document or the related documents or for any failure by the Issuer or the Borrower or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

\$23,150,000

Multifamily Housing Revenue Bonds
(Pass-Through - Williamsburg Apartments), Series 2015

This Official Statement (including the cover page, the inside cover page and appendices) provides certain information concerning the Issuer in connection with the sale of \$23,150,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds (Pass-Through - Williamsburg Apartments), Series 2015 (the "Bonds").

The Bonds are authorized to be issued under the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), and pursuant to a Trust Indenture, dated as of December 1, 2015 (the "Indenture") between the Issuer and Wilmington Trust, National Association, as Trustee (the "Trustee"). Pursuant to the Indenture, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein. Certain defined terms used herein are set forth in APPENDIX A hereto.

SUMMARY OF THE BONDS

This summary highlights information contained elsewhere in this prospectus. As a summary, it speaks in general terms without giving details or discussing any exceptions. Before buying any issuance of certificates, you should have the information necessary to make a fully informed investment decision. For that, you must read this prospectus in its entirety (and any documents to which we refer you in this prospectus) as well as the related prospectus supplement.

The Issuer..... The Texas Department of Housing and Community Affairs (the "Issuer"), a public and official agency of the State of Texas (the "State"). The Issuer is empowered pursuant to the Act to issue its bonds for the purposes, among others, of financing the acquisition, rehabilitation and equipping of multifamily residential rental projects.

Limited Obligations..... **The Bonds, together with interest thereon, and redemption premium, if any, are not general obligations of the Issuer, but are special, limited obligations of the Issuer secured by the Trust Estate, are and will always be payable solely from the revenues and income derived from the Trust Estate (except to the extent paid out of moneys attributable to proceeds of the Bonds or the income from the temporary investment thereof), and are and will always be a valid claim of the Owner thereof only against the revenues and income derived from the Trust Estate, which revenues and income may be used for no other purpose than to pay the principal installments of, redemption premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in the Indenture and in the Financing Agreement. The Bonds and the obligation to pay interest thereon and redemption premium, if any, do not now and will never constitute a debt or an obligation of the State or any political subdivision thereof and neither the State nor any political subdivision thereof will be liable therefor. The Bonds are not and do not create or constitute in any way an obligation, a debt or a liability of the State or any political subdivision thereof, or create or constitute a pledge, giving or lending of the faith, credit, or taxing power of the State or any political subdivision thereof. The Issuer has no taxing power. The Bonds are not a debt of the United States of America, the United States Department of Housing and Urban Development or any other federal governmental agency and are not guaranteed by the full faith and credit of the United States.**

The Borrower.....	Dalcor Williamsburg, Ltd., a Texas limited partnership (the “Borrower”). The Borrower is a single purpose entity formed to acquire, rehabilitate and operate the Project.
The Project.....	Williamsburg Apartments, a 418-unit residential rental housing facility in 31 buildings in Grand Prairie, Texas (the “Project”).
The Bonds, the Mortgage Loan and the Pass-Through Certificate.....	The Bonds will be issued under the provisions of a Trust Indenture dated as of December 1, 2015 (the “Indenture”) between the Issuer and Wilmington Trust, National Association, a national banking association, as trustee for the Bonds (the “Trustee”). The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), as fully registered bonds in the denomination of \$1.00 or any integral multiple thereof.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition and rehabilitation of the Project and pay certain additional costs related thereto.

Upon the issuance of the Bonds, accrued interest thereon through the Mandatory Redemption Date will be deposited to the Collateral Security Interest Account under the Indenture, and the balance of the Bond proceeds will be deposited into the Proceeds Fund. Pursuant to the terms of a Financing Agreement dated as of December 1, 2015 (the “Financing Agreement”) among the Issuer, the Trustee, the Borrower and Red Mortgage Capital, LLC (the “Lender”), Bond proceeds deposited into the Proceeds Fund will (i) be used to pay or reimburse the Borrower for payment of certain costs of the Project or (ii) will be deposited to a Rehabilitation Account of the Proceeds Fund and used as directed by the Lender for rehabilitation of the Project. Bond proceeds (other than amounts deposited to the Collateral Security Interest Account and premium, if any, deposited to the Collateral Security Principal Account) shall not be part of the Trust Estate securing repayment of the Bonds.

The Bonds will initially be collateralized, in part, by the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from the assignment to the Lender of a first mortgage loan (the “Mortgage Loan”) to be made and fully funded by the Issuer to the Borrower in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds (such assigned Mortgage Loan being referred to herein as the “Assigned Loan”). An original issue premium in the amount of \$231,500 (the “Original Issue Premium”) will be deposited to the Collateral Security Principal Account of the Collateral Security Fund. The Bonds will be further collateralized by the deposit to the Collateral Security Interest Account of the Collateral Security Fund of the accrued interest on the Bonds as well as certain Bond proceeds in an amount sufficient to pay interest on the Bonds through December 1, 2016 (the “Mandatory Redemption Date”). The Trustee will use moneys on deposit in the Collateral Security Fund to acquire a guaranteed mortgage MBS Certificate (the “Pass-Through Certificate”), backed by the Mortgage Loan on the Project, and to be issued by Fannie Mae, upon satisfaction of the conditions set forth in the Indenture and upon satisfaction of the conditions precedent to the issuance of the Pass-Through Certificate and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that the conditions to the issuance of the Pass-Through Certificate will be satisfied and that the Pass-Through Certificate will be available for acquisition by the Trustee on or before January 26, 2016 (the “First Payment Date”), and in any event prior to the Mandatory Redemption Date, unless such Purchase Date (as defined herein) is extended as provided in the Indenture. Following the acquisition of the Pass-Through Certificate by the Trustee, if issued, payments of principal and interest on the Bonds will be payable from a pass through on the immediately following Payment Date on the Bonds (as defined below – see “Bond Payment Dates”) of the principal and interest payments received by the Trustee on the Pass-Through Certificate.

Extraordinary Redemption For Failure to Purchase Pass-Through Certificate.....

If the Pass-Through Certificate is not acquired by the Trustee on or before the Mandatory Redemption Date (as such date may be extended pursuant to the Indenture) the Bonds will be redeemed at a redemption price of par plus the Original Issue Premium (the “Original Issue Price”), plus interest accrued on the Bonds to the Business Day preceding such Mandatory Redemption Date (as such date may be extended under the Indenture), from moneys on deposit in the Collateral Security Fund under the Indenture.

Bond Payment Dates.....

Payment Date (on the Bonds) means (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Mandatory Redemption Date, as such date may be extended pursuant to this Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), and (iii) after the Purchase Date, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month [or the next Business Day if the 25th is not a Business Day] after payment is due on the underlying Mortgage Loan). The payment of interest on a Payment Date is the interest accrued on the Mortgage Loan and the Pass-Through Certificate at the Pass-Through Rate during the preceding calendar month. For example, if the Pass-Through Certificate is acquired by the Trustee on or before the First Payment Date (January 26, 2016), then on such date the Bondholders will receive a payment of interest on the Bonds in an amount equal to the interest at the Pass-Through Rate which is equal to the interest rate on the Bonds, which accrued on the Mortgage Loan during the month of December, 2015, passed through on the Pass-Through Certificate on January 25, 2016. Except as otherwise described herein with respect to certain payments on or before the Purchase Date, the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-Through Certificate one Business Day after their receipt by the Trustee. There shall be no further accrual of interest from the Maturity Date (January 1, 2032) to the final Payment Date on the Bonds (January 27, 2032). Because of this 25-day lag in payment of principal and interest inherent in the payment terms of the Pass-Through Certificate and the one (additional) Business Day (as defined in the Indenture) lag in payment inherent in the Bonds, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Interest Payments on the Bonds.....

After the Purchase Date, interest payments on the Bonds will equal interest payments received by the Trustee on each Distribution Date (as defined herein) for the Pass-Through Certificate commencing January 25, 2016. Although interest accrues on the Pass-Through Certificate during a calendar month, as described above, Fannie Mae will not distribute interest to the Trustee as certificateholder until the Distribution Date in the following calendar month. Interest on the Bonds shall be calculated on an “Actual/360”

basis. "Actual/360" means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Principal Payments on the Bonds..... After the Purchase Date, principal payments on the Bonds will equal principal payments received by the Trustee on the Pass-Through Certificate on each Distribution Date for the Pass-Through Certificate. The final principal payment on the Pass-Through Certificate will occur on January 26, 2032, which principal payment will pass through to the registered owners of the Bonds on January 27, 2032.

Regularly scheduled payments of principal (and interest) on the Mortgage Loan will be passed through monthly on the Pass-Through Certificate. Unscheduled principal payments on the Mortgage Loan also will be passed through on the Pass-Through Certificate, and the Bonds, including a portion of any prepayment premium on the Mortgage Loan from a voluntary prepayment prior to June 30, 2031.

Effective Yield on Bonds Lower Than Interest Rate on Pass-Through Certificate..... As stated above, because of the 25-day lag in payments of interest and principal inherent in the Pass-Through Certificate and the one (additional) Business Day (as defined in the Indenture) lag in payment inherent in the Bonds, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Tax Exemption..... On the date of delivery of the Bonds, Bracewell & Giuliani, LLP, Bond Counsel, will deliver its opinion that, assuming compliance with certain covenants and based on certain representations, under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond for any period during which it is held by a "substantial user" of the Project or a "related person" of such a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended and (ii) interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of calculating the alternative minimum tax on individuals and corporations. See "TAX MATTERS" herein.

Limited Role of Fannie Mae

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS AND THE RELATED FORM OF MBS PROSPECTUS SUPPLEMENT. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

**SUMMARY OF THE PASS-THROUGH CERTIFICATE
ANTICIPATED TO BE ISSUED IN CONNECTION WITH THE MORTGAGE LOAN**

The information below is a summary of the terms of the Pass-Through Certificate which is anticipated to be issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds if and to the extent the conditions relating to the issuance and acquisition of the Pass-Through Certificate set forth in the commitment between Fannie Mae and the Lender, and the conditions to acquisition of the Pass-Through Certificate by the Trustee set forth in the Indenture, are satisfied within the time permitted in the Indenture. As described elsewhere herein, the Mortgage Loan will have been closed and fully funded by the Issuer and assigned to the Lender in exchange for an amount equal to the par amount of the Bonds on the date of issuance of the Bonds, but the Pass-Through Certificate will not have been issued on that date. The purchase of the Pass-Through Certificate by the Trustee to serve as collateral for the Bonds is conditioned, pursuant to the Indenture, on the terms and conditions of the Pass-Through Certificate being consistent with the terms and conditions in the Term Sheet attached as APPENDIX F hereto and in the Indenture and to the satisfaction of the conditions relating to the issuance and acquisition of the Pass-Through Certificate set forth in the commitment between Fannie Mae and the Lender. This summary of the terms of the Pass-Through Certificate is qualified in its entirety by reference to the Fannie Mae MBS Prospectus for Guaranteed Mortgage MBS Certificates (Multifamily Residential Mortgage Loans) (which can be found at http://www.fanniemae.com/syndicated/documents/mbs/mbspros/MF_August_1_2014.pdf) (the “Fannie Mae MBS Prospectus”) and the form of Prospectus Supplement attached hereto as APPENDIX G hereto (the “MBS Prospectus Supplement”).

Pass-Through Certificate..... Guaranteed Mortgage MBS Certificates (Multifamily Residential Mortgage Loans).

Pass-Through Certificate Issuer and Guarantor..... Fannie Mae, a government-sponsored enterprise that was chartered by the U.S. Congress in 1938 under the name “Federal National Mortgage Association” to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of its principal office is 3900 Wisconsin Avenue NW, Washington, DC 20016; the telephone number is 202-752-7000.

Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency, succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on conservatorship, see “**FANNIE MAE — Regulation and Conservatorship**” in the Fannie Mae MBS Prospectus.

Fannie Mae’s regulators include the Federal Housing Finance Agency, the U.S. Department of Housing and Urban Development, the SEC, and the U.S. Department of the Treasury. The Office of Federal Housing Enterprise Oversight, the predecessor of the Federal Housing Finance Agency, was Fannie Mae’s safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008.

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the U.S. Department of the Treasury pursuant to which Fannie Mae issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee and payments of principal and interest on the Pass-Through Certificate will not be guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

Description of Pass-Through Certificate.....	The Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee will represent a pro rata undivided beneficial ownership interest in the Mortgage Loan. Fannie Mae will issue the Pass-Through Certificate in book-entry form on the book-entry system of the U.S. Federal Reserve Bank.
Relationship of Bonds, Pass-Through Certificate and Mortgage Loan.....	The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Mortgage Note and the Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee, even though the principal amount of all three instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.
Pool Number.....	AN0395.
Dated Date.....	December 1, 2015.
Pass-Through Rate.....	3.45% per annum.
Original Principal Amount.....	\$23,150,000
Anticipated Settlement Date.....	December 22, 2015.
Distribution Date.....	The “Distribution Date” is the 25th day of each month which is the date designated for payments to the Trustee as holder of the Pass-Through Certificate, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the Pass-Through Certificate will occur in the month following the month in which the Pass-Through Certificate is issued. The Pass-Through Certificate is expected to be issued in December 2015.
Maturity Date.....	January 1, 2032.
Interest.....	On each Distribution Date, Fannie Mae will pass through on the Pass-Through Certificate, if issued, one month’s interest at the Pass-Through Rate. Interest on the Pass-Through Certificate shall be calculated on an “Actual/360” basis. “Actual/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Pass-Through Certificate by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Because Fannie Mae’s guaranty requires it to supplement amounts received by the trust as required to permit timely payment of interest, the amount of interest distributed to certificateholders on a Distribution Date will **not** be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

As described in under the caption “MATERIAL FEDERAL INCOME TAX CONSEQUENCES” in APPENDIX G – FORM OF PROSPECTUS SUPPLEMENT FOR MBS CERTIFICATE herein, the Pass-Through Certificates and payments on the Pass-Through Certificates, including interest payments thereon, are subject to federal income taxation. Such interest payments only become excluded from gross income for federal income tax

purposes, to the extent described elsewhere herein, when applied by the Trustee to pay interest due on the Bonds. See "TAX MATTERS" herein.

Principal.....

Fannie Mae will receive collections on the Mortgage Loan on a monthly basis. The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month to and including the first calendar day of the month in which the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the Pass-Through Certificate, if issued, as follows:

- the aggregate amount of the scheduled principal due on the Mortgage Loan in the pool during the related due period; and
- the aggregate amount of the unscheduled principal payments specified below:
 - the stated principal balance of the Mortgage Loan as to which prepayment in full was received during the calendar month immediately preceding the month in which that Distribution Date occurs;
 - the stated principal balance of the Mortgage Loan if it was purchased from the pool during the calendar month immediately preceding the month in which that Distribution Date occurs; and
 - the amount of any partial prepayments on the Mortgage Loan that were received during the calendar month immediately preceding the month in which that Distribution Date occurs.

Because Fannie Mae's guaranty requires it to supplement amounts received by the trust as required to permit timely payment of the principal amounts specified above, the amount of principal distributed to certificateholders on a Distribution Date will **not** be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

Fannie Mae may treat a prepayment in full received on the first Business Day of a month as if the prepayment were received on the last Business Day of the preceding month. Fannie Mae passes through these prepayments on the Distribution Date in the same month in which the prepayment actually was received. For example, if a prepayment on the Mortgage Loan in full is actually received on the first Business Day of April, it would be treated as if it had been received on the last business day of March and, therefore, would be passed through on April 25 (or the next Business Day, if April 25 is not a Business Day).

The Mortgage Loan permits the reamortization of principal after a permitted voluntary prepayment or an involuntary prepayment caused by the receipt of proceeds from insurance or condemnation. A reamortization of the Mortgage Loan will cause a change in the rate at which principal is passed through to holders of the Pass-Through Certificate.

Monthly Pool Factors..... On or about the fourth Business Day of each month, Fannie Mae publishes the monthly pool factor for each issuance of its Certificates. If an investor multiplies the monthly pool factor by the original principal balance of the Pass-Through Certificate, he or she will obtain the current principal balance of the Pass-Through Certificate, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available in Fannie Mae’s Multifamily Securities Locator Service application on Fannie Mae’s Web site.

Guaranty..... Fannie Mae guarantees to each trust that on each Distribution Date it will supplement amounts received by the trust as required to permit payments on the related Pass-Through Certificate in an amount equal to:

- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and
- an amount equal to one month’s interest on the Pass-Through Certificate, as described in “—Interest” above.

In addition, Fannie Mae guarantees to the related trust that it will supplement amounts received by the trust as required to make the full and final payment of the unpaid principal balance of the related certificates on the Distribution Date in the month of the maturity date specified in the prospectus supplement. Fannie Mae’s guaranty runs directly to the trust and not directly to certificateholders. Certificateholders have limited rights to bring proceedings directly against Fannie Mae to enforce its guaranty. See “**THE TRUST DOCUMENTS—Certificateholders’ Rights Upon a Guarantor Event of Default**” in the Fannie Mae MBS Prospectus. While Fannie Mae is in the current conservatorship, the conservator does not have the right to repudiate Fannie Mae’s guaranty on the Pass-Through Certificate. However, if Fannie Mae is placed into receivership, or if Fannie Mae emerges from conservatorship and is then again placed into conservatorship, the receiver or conservator, as applicable, will have the right to repudiate Fannie Mae’s guaranty on the Pass-Through Certificate. See “**RISK FACTORS—RISKS RELATING TO CREDIT—Fannie Mae Credit Factors**” in the Fannie Mae MBS Prospectus.

Under certain circumstances, certificateholders have certain limited rights to bring proceedings against the U.S. Department of the Treasury if Fannie Mae fails to pay under its guaranty. The total amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement. For a description of certificateholders’ rights to proceed against Treasury, see “**FANNIE MAE—Certificateholders’ Rights Under the Senior Preferred Stock Purchase Agreement**” in the Fannie Mae MBS Prospectus.

Optional Prepayment Premium..... The Mortgage Loan provides for payment of a prepayment premium on the Mortgage Loan, based on a yield maintenance formula, if the Borrower elects to prepay the Mortgage Loan prior to June 30, 2031. See “APPENDIX F – TERM SHEET” herein. As set forth in the form of MBS Prospectus Supplement attached as APPENDIX G hereto, the Trustee, as holder of the Pass-Through Certificate would receive a portion of that payment, as further described in the MBS Prospectus Supplement under “Voluntary Prepayment of the Mortgage Loan – Calculation of Prepayment Premiums.” Any premium received by the Trustee will be passed through to Bondholders.

Fannie Mae does not guarantee to any trust the payment of any prepayment premiums.

Business Day.....	For the Pass-Through Certificate, if issued, any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account.
Trust Agreement.....	If issued, the Pass-Through Certificate will be issued pursuant to the Multifamily Master Trust Agreement effective as of October 1, 2010, as supplemented by an issue supplement for that issuance. Certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus. The trust agreement may be found on Fannie Mae’s Web site. http://www.fanniemae.com
Paying Agent.....	An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae’s paying agent for certificates such as the Pass-Through Certificate.
The Mortgage Loan.....	The Mortgage Loan is secured by a first mortgage lien, is in the original principal amount of \$23,150,000; bears interest at the rate of 4.46% per annum; amortizes over 16 years beginning January 1, 2016 and has a balloon maturity on January 1, 2032. See “APPENDIX F – TERM SHEET” herein.

Descriptions of the Bonds and sources of payment, the Issuer, the Borrower, the Project, the Mortgage Loan, the Pass-Through Certificate (if issued), the Indenture and certain related agreements are included in this Official Statement. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Indenture are available for inspection at the office of the Issuer. The Borrower will provide certain information on an ongoing basis to the Municipal Securities Rulemaking Board (the “MSRB”). For a description of the Borrower’s undertaking with respect to ongoing disclosure, see “CONTINUING DISCLOSURE.”

THE ISSUER

General

The Issuer, a public and official governmental agency of the State and a body corporate and politic, was created pursuant to the Act, effective September 1, 1991. The Issuer is the successor agency to the Texas Housing Agency (the “Agency”) and the Texas Department of Community Affairs, both of which were abolished by the Act and their functions and obligations transferred to the Issuer. One of the purposes of the Issuer is to provide assistance to individuals and families of low and very low income and families of moderate income and persons with special needs to obtain decent, safe and sanitary housing. Pursuant to the Act, the Issuer may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Issuer or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Issuer.

The Issuer is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the “Sunset Act”), and its continued existence is subject to a periodic review process that resulted in passage of legislation in the 2013 Texas legislative session which continues the Issuer in existence until September 1, 2025, at which time it will again be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor will designate an appropriate State agency to

continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

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

Organization and Membership

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

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

One seat on the Board is currently vacant. The current members of the Board, their occupations and their terms of office are as follows:

J. PAUL OXER, PE, Chair and Board Member. Managing Director, McDaniel, Hunter & Prince, Inc., Sugar Land, Texas. His term expires on January 31, 2017.

DR. JUAN SANCHEZ MUÑOZ, Vice Chair and Board Member. Associate Professor of Education, Vice Provost for Undergraduate Education & Student Affairs and Vice President for Institutional Diversity, Equity & Community Engagement, Texas Tech University, Lubbock, Texas. His term expires January 31, 2017.

LESLIE BINGHAM ESCAREÑO, Board Member. Chief Executive Officer, Valley Baptist Medical Center-Brownsville. Her term expires January 31, 2019.

TOM H. GANN, Board Member. President, Gann Medford Real Estate Inc., Lufkin, Texas. His term expires January 31, 2019.

T. TOLBERT CHISUM, Board Member, Trustee of the Modern Group, Beaumont, Texas. His term expires January 31, 2019.

J. B GOODWIN, Board Member. CEO of JB Goodwin Realtors, Austin, Texas. His term expired January 31, 2015.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Texas law requires that confirmations of any such appointment be considered at the next legislative session, whether regular or special. Pursuant to Article XVI, Section 17, of the Texas Constitution, any Board member whose term has expired continues to serve until his or her successor has been appointed.

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

Currently, the Issuer has 277 employees. The following is a biographical summary of certain of the Issuer's senior staff members who have responsibility with respect to multi-family housing bond matters:

TIMOTHY IRVINE, Executive Director. Mr. Irvine joined the Issuer in January 2009, as Chief of Staff. On September 16, 2011, the Issuer selected Mr. Irvine to serve as Executive Director. He has responsibility for the oversight of all of the Issuer's activities. His previous experience includes serving as general counsel for several large financial institutions, general counsel of the Texas Savings and Mortgage Lending Department, Executive Director of the Issuer's Manufactured Housing Division, Administrator at the Texas Real Estate Commission, and Commissioner of the Texas Appraiser Licensing and Certification Board. He obtained his B.A. from Claremont McKenna College, and M.A. from Claremont Graduate University, and a J.D. from Willamette University. He has also practiced as a partner in a major law firm.

TOM GOURIS, Deputy Executive Director for Asset Analysis and Management. Mr. Gouris joined the Issuer in 1997 as a manager in the Real Estate Analysis Division and has previously served as the Director of Real Estate Analysis and the Deputy Executive Director of Housing Programs. As the Deputy Executive Director for Asset Analysis and Management, Mr. Gouris is responsible for the oversight of development performance for all of the Issuer's multifamily properties. Mr. Gouris was previously a lending re-engineering consultant with Alex Sheshunoff Management Services, Inc. and a real estate workout manager with Bank One in Texas. Mr. Gouris received his Masters of Business Administration from the University of Texas at Austin and his undergraduate degree in Economics from the University of Wisconsin - Madison.

MONICA GALUSKI, Director of Bond Finance. Ms. Galuski joined the Issuer in November, 2014. She is responsible for the development and administration of single family finance for the Issuer. Ms. Galuski also oversees ongoing compliance monitoring and disclosure requirements relating to the Issuer's investments and single family and multifamily bond programs. Ms. Galuski has over 18 years in municipal finance, 14 of which were in single family housing. Ms. Galuski received a Bachelor of Science in Financial Management from Arizona State University.

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

The offices of the Issuer are located at 221 East 11th Street, Austin, Texas 78701-2410, and the telephone number for the Issuer is 512/475-3800 or toll-free 800/525-0657.

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE UNITED STATES OF AMERICA, THE STATE, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE OR ANY AGENCY OF THE UNITED STATES OF AMERICA OR ANY ISSUER THEREOF, WILL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS WILL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE UNITED STATES OF AMERICA, THE STATE, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE, WITHIN THE

MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE BONDS ARE NOT AN OBLIGATION, DEBT OR LIABILITY OF THE STATE, AND DO NOT CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE.

Other Indebtedness of the Issuer

Single Family Mortgage Revenue Bonds. Since 1979, the year of creation of the Agency, through August 31, 2015, there have been issued by the Agency or the Issuer thirty-six series of Residential Mortgage Revenue Bonds, two series of GNMA Collateralized Home Mortgage Revenue Bonds, fifty-one series of Single Family Mortgage Revenue Bonds, four series of Junior Lien Single Family Mortgage Revenue Bonds, eleven series of Collateralized Home Mortgage Revenue Bonds, and ten series of Single Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bonds). As of August 31, 2015, the aggregate outstanding principal amount of bonded indebtedness of the Issuer for single family purposes was \$567,675,000.

Multifamily Housing Revenue Bonds. The Issuer and the Agency, through August 31, 2015, have issued two-hundred fifteen series of multifamily housing revenue bonds, which have been issued pursuant to separate trust indentures and are secured by individual trust estates that are separate and distinct from each other. As of August 31, 2015, the aggregate outstanding principal amount of multifamily housing revenue bonds was \$965,352,798.

THE MORTGAGE LOAN

The Indenture authorizes the Issuer to issue the Bonds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project and pay certain additional costs related thereto. The Bonds will be secured initially by the proceeds from the assignment to the Lender of the Mortgage Loan (to be funded by the Lender from amounts other than the proceeds of the Bonds, but in an amount equal to the original principal amount of the Bonds), together with an Original Issue Premium, deposited in the Collateral Security Fund, as described herein (see “SUMMARY OF THE BONDS – The Bonds, the Mortgage Loan and the Pass-Through Certificate”) and then by the Pass-Through Certificate, if issued. Fannie Mae is expected to deliver the Pass-Through Certificate to the Trustee on the Purchase Date, as described herein. The Lender has undertaken to certify that the Pass-Through Certificate has terms consistent with the Term Sheet and meets the requirements set forth in the Indenture, on which certification the Trustee may rely and act without further investigation. The Mortgage Loan is to be evidenced by the Mortgage Note, executed by the Borrower in favor of the Issuer and assigned to the Lender and secured by the Mortgage. The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of such Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to such Project, maintenance of a certain level of occupancy, the ability to achieve increases in rents as necessary to cover debt service and operating expenses, the level of operating expenses, project management, adverse changes in applicable laws and regulations, and general economic conditions and other factors in the metropolitan area surrounding the Project. The Borrower intends to rent all of the units in the Project to persons or families of moderate and low income and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Mortgage Loan will result in an event of default under the Mortgage Loan and may result in a mandatory redemption of all or a portion of the Bonds. See “DESCRIPTION OF THE BONDS–Redemption of Bonds” herein.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to which its partners have no personal liability and as to which its partners have not pledged for the benefit of the Bondholders any of their respective assets, other than the Project and its rents, profits and proceeds.

THE PROJECT AND THE BORROWER

The Project

The Bonds are being issued to finance a portion of the acquisition and rehabilitation costs of the Project, which is a 418-unit residential rental housing facility known as Williamsburg Apartments, consisting of 31 buildings located at 2421 South Carrier Parkway in Grand Prairie, Texas 75051. The rehabilitation of the Project is anticipated to commence on or about December 15, 2015, and is expected to be completed on or about December 15, 2016.

The Project is intended to be affordable housing for low and moderate income households. Project amenities are expected to include a fitness center, barbecue grills, picnic tables, a covered community porch and patio in the pool area, two gazebos with seating near a children's play area, tot lot equipment, a sports court, common area Wi-Fi, secured bicycle parking and a gated community. In addition, the pool and children's play area will be renovated or repaired as necessary. The level of occupancy of the Project as of October 5, 2015 was 94.98%. The unit mix of the Project is as follows:

Number Of Rental Units	Composition	Approximate Square Footage
30	1 Bedroom/1 Bath	448
197	1 Bedroom/1 Bath	702
5	2 Bedroom/1 Bath	960
86	2 Bedroom/2 Bath	960
100	2 Bedroom/1.5 Bath	960

The acquisition and rehabilitation of the Project will be financed from (a) Bond proceeds and (b) an equity contribution from the sale of Low Income Housing Tax Credits.

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay the operating expenses of the Project and amounts due under the Mortgage Note and the Bonds. The ability of the Borrower to generate sufficient revenues will be affected by a variety of factors including, but not limited to, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rent to cover debt service and operating expenses, the level of operating expenses, Project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. Adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and rental income of the Project. A default by the Borrower under the Mortgage Loan Documents may result in a redemption of all or a portion of the Bonds. See "DESCRIPTION OF THE BONDS—Redemption of Bonds—Mandatory Redemption from Principal Payments or Prepayments" herein.

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Plan of Financing

In addition to the equity, the sources and uses to develop the Project are expected to be approximately as follows:

Sources of Funds

Bond Proceeds	\$23,150,000
Bond Premium	231,500
Tax Credit Equity	11,358,024
General Partner Equity	100
Deferred Developer Fee	3,494,258
Net Operating Income	<u>2,544,090</u>
Total Sources of Funds at Closing	\$40,777,972

Uses of Funds

Acquisition	\$18,875,000
Rehab Construction	13,082,146
Soft Costs/Contin	980,988
Financing Costs	2,820,286
Reserves & Escrows	345,458
Developer Fee	<u>4,674,094</u>
Total Uses of Funds at Closing	\$40,777,972

Sources and Uses of Funds Under the Indenture

Sources of Funds

Bond Proceeds (including accrued interest and premium)	\$23,399,248
Proceeds of Mortgage Loan	23,150,000
Borrower Funds	<u>368,425</u>
Total Sources of Funds at Closing	\$46,917,673

Uses of Funds

Deposit to Collateral Security Interest	
Account of the Collateral Security Fund	\$752,086
Deposit of Bond Proceeds (net of deposit to Collateral Security Interest Account) to Bond Proceeds Fund	22,218,062
- To Reimburse Project Costs at Closing	20,160,816
- To Fund Rehabilitation Account of Proceeds Fund	2,057,246
Deposit of Assigned Loan Proceeds to Collateral Security Principal Account of Collateral Security Fund	23,150,000
Deposit of Original Issue Premium to Collateral Principal Account of Collateral Security Fund	231,500
Costs of Issuance	<u>566,025</u>
Total Uses of Funds at Closing	\$46,917,673

Low Income Housing Tax Credits

Simultaneously with the issuance of the Bonds, the Borrower expects to admit AHP Housing Fund 80, LLC, (the "Limited Partner") to the Borrower as the limited partner with a 99.99% limited partner ownership interest in the Borrower. The funding of the low-income housing tax credit equity by the Limited Partner is expected to total approximately \$11,358,024. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

The Contractor

The general contractor for the project is expected to be Landmark Rehab Group, LLC (the “Contractor”). The Contractor has 3 years of experience in renovating residential multifamily housing developments, and its principals have, collectively, over 30 years of such experience.

Property Management

Dalcor Management, LLC (“Dalcor”) will manage the Project upon acquisition. Dalcor presently manages approximately 9 affordable apartment complexes in 2 states containing 2,680 affordable housing units and is affiliated with Dalcor Companies (as defined herein).

Income and Rent Restrictions

The Borrower is restricted by several agreements that limit the incomes of, and rents that may be charged to, tenants of the Project. Restrictions contained in a Low Income Housing Tax Credit Extended Use Agreement between the Borrower and the Issuer to be executed on or after the Closing Date (the “Extended Use Agreement”) related to the Tax Credits are expected to require the Borrower to rent up to 100% of the residential rental units in the Project to tenants whose annual household income does not exceed 60% of area median gross income (“AMI”), adjusted for family size, and to charge rents which do not exceed 30% of imputed income for the size of such tenant’s apartment (subject to various adjustments). In addition, the Regulatory Agreement is expected to limit the incomes of tenants in 40% of the units to individuals or families having an annual household income which does not exceed 60% of AMI, adjusted for family size. In addition, the Borrower is also restricted by two existing regulatory agreements: a Land Use Restriction Agreement between a receiver and a previous owner of the Project requiring the Borrower to rent at least 392 of the units in the Project to tenants whose annual household income does not exceed 80% of AMI, adjusted for family size, and to charge rents to such tenants which do not exceed 30% of 65% of AMI, and at least 224 of the units in the Project to tenants whose annual household income does not exceed 50% of AMI, adjusted for family size, and to charge rents to such tenants which do not exceed 30% of 50% of AMI; and a Declaration of Restrictive Covenants for Low-Income Housing Credits between a previous owner of the Project and the Issuer requiring the Borrower to rent 100% of the units in the Project to tenants whose annual household income does not exceed 60% of AMI, adjusted for family size, and to charge rents to such tenants which do not exceed 30% of 60% of AMI (collectively, the “Prior Regulatory Agreements”). In the event of any conflict among these regulatory agreements, the more restrictive provisions of the Regulatory Agreement, the Extended Use Agreement and the Prior Regulatory Agreements are expected to control.

The Borrower

The Borrower is Dalcor Williamsburg, Ltd. (the “Borrower”), a Texas limited partnership that was formed for the specific purpose of acquiring, rehabilitating and operating the Project. As such, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Mortgage, other than revenues generated by the Project.

The general partner of the Borrower is Dalcor Williamsburg GP, LLC, a Texas limited liability company (the “General Partner”). The General Partner and/or its delegates will have the responsibility for supervising the operations of the Borrower and will be responsible for overseeing the operation and management of the Project. The owner of the General Partner is Dalcor Affordability Housing I, LLC, a Texas limited liability company. The co-managers of the owner of the General Partner are M. Dale Dodson and Ronald D. Murff.

Dalcor Companies (“Dalcor Companies”) has been active in multifamily real estate acquisition and property management since 1982. Dalcor Companies has been involved in low income housing tax credit property acquisition, preservation, and rehabilitation projects since 2012. Currently, Dalcor Companies is a fully integrated real estate firm with expertise in acquisition, rehabilitation and property management which oversees a multifamily portfolio valued in excess of \$170,000,000. Dalcor Companies’ principal offices are in Dallas, Texas.

FANNIE MAE

The Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee as described herein, will be an obligation of Fannie Mae. **The securities of Fannie Mae, including the Pass-Through Certificate, if issued, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.**

Information on Fannie Mae and its financial condition are contained in periodic reports that are filed with the Securities and Exchange Commission (the “SEC”). Fannie Mae’s SEC filings are available at the SEC’s website at www.sec.gov and are also available on Fannie Mae’s web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

See “SUMMARY OF THE PASS-THROUGH CERTIFICATE ANTICIPATED TO BE ISSUED IN CONNECTION WITH THE MORTGAGE LOAN” herein for a description of the terms to be borne by the Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds as described herein.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the Pass-Through Certificate and exercising the rights reserved to it in the Indenture.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued as registered bonds in authorized denominations of \$1.00 or any integral multiple thereof. The Bonds will be dated December 1, 2015 and, after the Purchase Date, will pass through interest in an amount equal to the interest paid on the Pass-Through Certificate, payable on each Payment Date. Payment Date is defined as (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), and (iii) after the Purchase Date, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month [or the next Business Day if the 25th is not a Business Day] after payment is due on the underlying Mortgage Loan). The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the final Payment Date. As further described herein and in the Fannie Mae MBS Prospectus, the Pass-Through Certificate and the Bonds pay interest monthly on an Actual/360 Basis. “Actual/360” means, in the case of the Bonds, a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds (which is expected to be the same as the balance on the Pass-Through Certificate), by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof, on and after the Purchase Date, in the amounts and on the dates principal, interest or premium, if any, is paid on the Pass-Through Certificate (except if the Bonds are redeemed due to a failure to purchase the Pass-Through Certificate). See “DESCRIPTION OF THE BONDS—Redemption of Bonds” below. The principal of and the interest on the Bonds shall be payable in 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 of the United States of America.

Registration, Transfer and Exchange of Bonds; Persons Treated as Owners

The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in the Indenture to be kept by the Trustee, which is constituted and appointed the bond registrar with respect to the Bonds

(the “Bond Registrar”). At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and authorized denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefore a Bond of equal aggregate principal amount of the same maturity and authorized denomination.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee’s opening of business on the applicable Record Date and ending at the Trustee’s close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided in the Indenture. No charge shall be made to any Bondholder for the privilege of registration of transfer as provided in the Indenture, but any Bondholder requesting any such registration of transfer shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything in the Indenture to the contrary, to the extent the Bonds are Book Entry Bonds, the provisions of the Indenture shall govern the exchange and registration of Bonds.

Book-Entry System; Limited Obligation

The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as described below under the caption “Transfer Outside Book-Entry System,” all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.” See “BOOK-ENTRY ONLY SYSTEM” below.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the

Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving redemption notices pursuant to the Indenture and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid under the Indenture with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest pursuant to the Indenture. Upon delivery by the Depository to the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions of the Indenture with respect to Record Dates, the word Nominee in the Indenture shall refer to such new nominee of the Depository.

The Issuer and the Trustee will recognize the Depository or its nominee as the Bondholder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting, provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Depository or otherwise pursuant to the rules of the Depository or the provisions of the Representation Letter or other comparable evidence delivered to the Trustee by the Bondholders.

SO LONG AS A BOOK ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE WITH THE INDENTURE, THE PROVISIONS OF THE INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK ENTRY SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

Initial Depository and Nominee

The initial Depository under the Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC. See “BOOK-ENTRY ONLY SYSTEM” below.

Representation Letter

In order to qualify the Bonds for the Depository’s book-entry system, if necessary, any Authorized Officer is authorized to execute, seal, countersign and deliver on behalf of the Issuer to such Depository a letter from the Issuer in substantially the Depository’s standard form representing such matters as shall be necessary to so qualify the Bonds (the “Representation Letter”). The Representation Letter includes such letter as it may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor. The execution by the Issuer and delivery of the Representation Letter shall not in any way limit the provisions described under the heading “Book-Entry System; Limited Obligation” above, or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the registered owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee agrees to take all actions necessary for all representations of the Issuer in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, any Authorized Officer is authorized to take any other actions, not inconsistent with the Indenture, to qualify the Bonds for the Depository’s book-entry program.

The terms and provisions of the Representation Letter shall govern in the event of any inconsistency between the provisions of the Indenture and the Representation Letter. The Representation Letter may be amended without Bondholder consent.

Transfers Outside Book-Entry System

If at any time the Issuer determines that continuation of the book entry system through DTC (or a successor securities depository) is not in the best interest of the owners of the Bonds, if at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, the provisions described under the heading “Book-Entry System; Limited Obligation” above shall no longer be applicable and the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. In addition, the Issuer may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions described under the heading “Book-Entry System; Limited Obligation” above shall no longer apply to the Bonds. In any such event, the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to the provisions described herein shall be registered in such names and delivered in such authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

If the Issuer determines to replace the Depository with another qualified securities depository, the Issuer shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of each type of Bond, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Issuer, the Trustee and such securities depository and not inconsistent with the terms of the Indenture.

Payments and Notices to the Nominee

Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Payment of Bonds Not in Book-Entry Only Form

If the Bonds are not Book Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Bonds as described under the caption “Redemption of Bonds—Mandatory Redemption from Principal Payments or Prepayments” below) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book Entry Bonds, payments of interest on the Bonds and redemption of the Bonds pursuant to the Indenture shall be paid by check or draft mailed to the registered owner thereof at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified in the Indenture.

Redemption of Bonds

The Bonds shall be subject to redemption prior to the stated maturity thereof only as set forth in the Indenture as described in this section.

Mandatory Redemption from Principal Payments or Prepayments. The Bonds are subject to mandatory redemption in the amounts and one Business Day after the dates (i) principal payments are received pursuant to the Pass-Through Certificate at a price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, (ii) prepayments are received with respect to the Pass-Through Certificate, at a price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest and premium, if any, received pursuant to the Pass-Through Certificate, or (iii) prior to the Purchase Date, redemption is otherwise required on any Payment Date in an amount equal to the amount set forth in the Mortgage Loan amortization schedule on the first day of the month immediately preceding such Payment Date from amounts on deposit in the Collateral Security Fund, as provided in the Indenture. Notwithstanding the provisions of the Indenture, no prior notice shall be a prerequisite to the effectiveness of any redemption under the provisions of the Indenture described in this paragraph, which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to clause (ii) above required by the provisions described under the caption “Notice of Redemption” below.

Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate. The Bonds are subject to mandatory redemption in whole on the Mandatory Redemption Date upon five (5) Business Days’ notice if (i) a Purchase Date has not occurred by the last date on which timely notice of such redemption may be given preceding such Mandatory Redemption Date (as such date may be extended under the Indenture) and (ii) an Extension Deposit has not been made pursuant to the Indenture, at the Original Issue Price plus interest accrued on the Bonds to the Business Day preceding such Mandatory Redemption Date (as such date may be extended under the Indenture). The notice for any such mandatory redemption may be conditional, to the effect that if a Purchase Date occurs not later than the close of business on the second Business Day preceding such Mandatory Redemption Date (as such date may be extended under the Indenture), the noticed mandatory redemption shall not occur. In the event that the Pass-Through Certificate has not been purchased by the Trustee ten (10) Business Days prior to any Mandatory Redemption Date, the Trustee shall provide written notice to the Borrower, the Issuer and the Tax Credit Investor of such non-purchase.

Notice of Redemption

(a) When the Trustee shall receive notice of a prepayment under clause (ii) described under the caption “Redemption of Bonds—Mandatory Redemption from Principal Payments or Prepayments” above, that the Pass-Through Certificate will be prepaid, the Trustee, in accordance with the Indenture, shall use its best efforts to give not less than 20 nor more than 30 days’ notice, in the name of the Issuer, of the redemption of the Bonds, which notice shall specify the following: (i) the maturities and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee’s name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

(b) The Bonds to be redeemed pursuant to the provisions described under the caption “Redemption of Bonds” above will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial redemption pursuant thereto shall be made in accordance with the “Pro Rata Pass-Through Distributions of Principal” procedures of DTC or comparable procedures of any successor Substitute Depository.

Payment of Redemption Price

With respect to any redemption pursuant to the Indenture, notice having been given in the manner provided in the Indenture (or not required to be given as a result of a redemption pursuant to the Indenture), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price specified in the Indenture, and upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered

owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption date, moneys for the redemption of all the Bond or the Bonds to be redeemed, together with all accrued interest on such Bonds, which shall equal all interest accrued on the Pass-Through Certificate, to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of a maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity of the Bonds to be redeemed.

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

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of the Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required, pursuant to the Indenture, to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The above information concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but the Borrower does not take responsibility for the accuracy thereof. The Beneficial Owners should confirm the foregoing information with DTC or the Direct Participants or Indirect Participants.

So long as Cede & Co. is the registered owner of Bonds of a Series, as nominee for DTC, references herein to Bondholders or registered owners of the Bonds of such Series (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Trustee to DTC only.

NEITHER THE CORPORATION, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (ii) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE INDENTURE;

(iii) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (iv) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (vi) ANY OTHER MATTER.

ANTICIPATED APPLICATION OF FUNDS

The proceeds of the Bonds will be used, pursuant to the Financing Agreement, to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project and to pay certain additional costs related thereto. The Bonds will be secured initially by the proceeds received from the assignment by the Issuer to the Lender of the Mortgage Loan (from funds other than the proceeds of the Bonds, but in an amount equal to the original principal amount of the Bonds), together with an Original Issue Premium, on deposit in the Collateral Security Fund as described herein (see “SUMMARY OF THE BONDS – The Bonds, the Mortgage Loan and the Pass-Through Certificate”). Such proceeds received from the assignment by the Issuer to the Lender held by the Trustee are anticipated, together with Bond proceeds deposited in the Collateral Security Interest Account of the Collateral Security Fund, to be applied by the Trustee to purchase the Pass-Through Certificate, if the conditions to issuance of the Pass-Through Certificate by Fannie Mae and the acquisition of the Pass-Through Certificate by the Trustee described herein are satisfied. Upon such purchase, the Original Issue Premium will be transferred to the Proceeds Fund to pay costs of the Project.

SECURITY FOR THE BONDS

General

All right, title and interest of the Issuer in and to amounts on deposit in the Collateral Security Fund to be funded at closing in an amount equal to the principal amount of the Bonds and premium, if any; the Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee in exchange for amounts on deposit in the Collateral Security Fund; all right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement (except Reserved Rights, as hereinafter defined) and the Regulatory Agreement; all Revenues; and all other property which by the express provisions of the Indenture is required to be subject to the lien of the Indenture, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture.

The Pass-Through Certificate

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition and rehabilitation of the Project, and pay certain additional costs related thereto. The Bonds will initially be secured by the deposit of the proceeds received from the assignment by the Issuer to the Lender of the Mortgage Loan, including accrued interest, in an amount sufficient to pay the principal of the Bonds plus interest thereon through the Mandatory Redemption Date, together with an Original Issue Premium, into certain funds and accounts under the Indenture, as further described herein. Upon the satisfaction of certain conditions set forth in the Indenture, the Trustee will transfer the proceeds of the assignment of the Mortgage Loan to acquire a guaranteed mortgage Pass-Through Certificate, backed by the Mortgage Loan on the Project, and to be issued, upon satisfaction of the conditions set forth in the Indenture, by Fannie Mae.

It is expected that the Pass-Through Certificate will be acquired by the Trustee on or before the First Payment Date, and in any event prior to the Mandatory Redemption Date, unless such Purchase Date is extended as provided in the Indenture. Following the acquisition of the Pass-Through Certificate by the Trustee, payments of principal and interest on the Bonds will be payable from a pass through on the immediately following Payment Date on the Bonds of the principal and interest payments received by the Trustee on the Pass-Through Certificate.

If the Pass-Through Certificate is not acquired by the Trustee on or before the Mandatory Redemption Date (as such date may be extended pursuant to the Indenture), the Bonds will be redeemed at the Original Issue Price, including the Original Issue Premium, plus accrued interest on the Bonds to the Business Day preceding such Mandatory Redemption Date (as such redemption date may be extended) from proceeds of the Bonds and other Preference Proof Moneys on deposit under the Indenture. See “SUMMARY OF THE BONDS” above.

See “SUMMARY OF THE PASS-THROUGH CERTIFICATE ANTICIPATED TO BE ISSUED IN CONNECTION WITH THE MORTGAGE LOAN” above for a description of the terms expected to be borne by the Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee. This description does not purport to be complete. Reference is made to the Fannie Mae MBS Prospectus and to the form of MBS Prospectus Supplement attached hereto as APPENDIX G for the complete terms of the Pass-Through Certificate and the rights, duties and obligations of Fannie Mae thereunder.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE’S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS AND THE RELATED FORM OF MBS PROSPECTUS SUPPLEMENT. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE OR THE UNITED STATES OF AMERICA.

Bonds Not a Debt of the State

The Bonds and interest thereon do not constitute an indebtedness, a liability, a general or moral obligation or a pledge of the faith or loan of credit of the Issuer, the State or any political subdivision thereof within the meaning of any constitutional or statutory provisions. Neither the Issuer, the State nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and assets pledged with respect thereto. Neither the faith and credit nor the taxing power of the United States of America, the Issuer, the State or any political subdivision thereof is pledged to the payment or the principal of or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof and are not guaranteed by the United States of America or any agency thereof.

CERTAIN BONDHOLDERS’ RISKS

The purchase of the Bonds will involve a number of risks. In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risk factors in connection with investment in the Bonds. The following summary does not purport to be comprehensive or definitive, but rather is intended as a brief summary of some of such risk factors.

Bonds are Pass-Through Bonds; Interest Payment Lag

As described elsewhere herein, except under certain circumstances described under the caption “DESCRIPTION OF THE BONDS – Redemption of Bonds – Mandatory Redemption Upon Failure to Purchase Pass-Through Certificate,” and except as otherwise described herein with respect to certain payments on or before the First Payment Date (see subparagraph (e) of “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund), the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-Through Certificate one Business Day after their receipt by the Trustee. Interest payments on the Bonds will equal interest payments received by the Trustee on each Distribution Date for the Pass-Through Certificate, which will be the 25th day of each month (or the next Business Day if the 25th is not a Business Day), commencing January 25, 2016. Although interest accrues on the Pass-Through Certificate during a calendar month, Fannie Mae will not distribute interest to the Trustee as certificateholder until the Distribution Date in the following calendar month. The Bonds mature on January 1, 2032;

however, the final principal payment on the Pass-Through Certificate will occur on January 26, 2032, and such payment will be passed through to Bondholders on January 27, 2032. Because of these delays, the effective yield on the bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Pass-Through Certificate

If the Pass-Through Certificate is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae's obligations will be solely as provided in the Pass-Through Certificate and in the Fannie Mae MBS Prospectus and the related form of MBS Prospectus Supplement. The obligations of Fannie Mae under the Pass-Through Certificate will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Bonds are not and will not be a debt of the United States of America or any other agency or instrumentality of the United States of America or of Fannie Mae. The Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

It is possible, in the event of the insolvency of Fannie Mae, or the occurrence of some other event precluding Fannie Mae from honoring its obligations to make payments as stated in the Pass-Through Certificate, if issued, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower will be sufficient to pay the principal of, premium if any, and interest on the Bonds in the event the Trustee is forced to seek recourse against the Borrower. See "SECURITY FOR THE BONDS" herein.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds

The Borrower has covenanted and agreed, pursuant to, among other documents, the Regulatory Agreement, to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. See "TAX MATTERS" herein. However, the Borrower's covenant to comply with the requirements of the Code is nonrecourse to the Borrower, and the Borrower's liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower's failure to comply with such provisions will not constitute a default under the Mortgage Loan and will not give rise to a redemption or acceleration of the Bonds (unless the holders of 75% of the Bonds Outstanding so direct) and is not the basis for an increase in the rate of interest payable on the Bonds. However, the Borrower's failure to comply with the Regulatory Agreement will not give rise to a prepayment or acceleration of amounts due under the Pass-Through Certificate, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower's failure to comply with the requirements of federal tax law, and there is no assurance that either the Issuer, the Trustee or the Bondholders will have remedies available to them to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower's noncompliance.

Performance of the Project

No assurance can be given as to the future performance of the Project. See "THE MORTGAGE LOAN" and "THE PROJECT AND THE BORROWER – The Project" above. The economic feasibility of the Project depends in large part upon the ability of the Borrower to maintain substantial occupancy throughout the term of the Bonds at sufficient rents. Occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the areas served by the Project. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower's ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

Default May Result in Redemption of the Bonds

A default by the Borrower under the Mortgage Loan may – upon compliance with the terms of the Pass-Through Certificate and the Indenture – result in a mandatory redemption of the Bonds. No premium will be paid on the Bonds in the event of such a redemption. See “DESCRIPTION OF THE BONDS—Redemption of Bonds” herein.

Estimated Rental Revenue/Vacancies

The economic feasibility of the Project depends in large part upon its being substantially occupied at rentals adequate to cover all operating expenses of the Project, debt service on the Mortgage Loan and continued funding of the HAP Contract by HUD. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the HAP Contract and albeit at below market rental rates. The rent and affordability restrictions may adversely affect the revenues of the Project.

Estimated Project Expenses; Management

The success of the Project depends upon economic conditions, successful management of the Project and other factors. Furthermore, should management of the Project prove to be inefficient, increases in operating expenses might exceed increases in rents which can be supported by market conditions. The economic feasibility of the Project also depends to a large extent on operating expenses. No assurances can be given that moneys available to the Borrower from operation of the Project will be sufficient to make the required payments on the Financing Agreement and the Mortgage Note.

CONTINUING DISCLOSURE

The Borrower has undertaken all responsibilities for any continuing disclosure to owners of the Bonds as described below, and the Issuer shall have no liability to the owners or any other person with respect to such disclosures. The Borrower has covenanted for the benefit of owners and Beneficial Owners of the Bonds to provide its audited financial statements and certain financial information and operating data relating to the Borrower by not later than one hundred eighty (180) days after the end of each fiscal year (which fiscal year currently ends on December 31), commencing with the report for the fiscal year ending December 31, 2016 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report is required to be filed by the Borrower with the Municipal Securities Rulemaking Board (the “MSRB”). All notices of material events are required to be filed by the Borrower with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events is described in APPENDIX E – “FORM OF CONTINUING DISCLOSURE AGREEMENT.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Borrower has not previously been subject to the continuing disclosure requirements of Rule 15c2-12.

FINANCIAL ADVISORS

George K. Baum & Company and Kipling Jones & Co. (collectively, the “Financial Advisors”) have served as co-financial advisors to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with the Bonds. The Financial Advisors have not been engaged by the Issuer to compile, create or interpret any information in this Official Statement relating to the Issuer, including (without limitation) any of the Issuer’s financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisors, and inclusion of such information is not and should not be construed as a representation by either of the Financial Advisors as to its accuracy or completeness or

otherwise. Neither of the Financial Advisors is a public accounting firm, and neither has been engaged by the Issuer to review or audit any information in this Official Statement in accordance with accounting standards.

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

TAX MATTERS

Tax Exemption

In General

In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond for any period during which it is held by a “substantial user” of the Project or a “related person” of such a “substantial user” within the meaning of Section 147(a) of the Internal Revenue Code, as amended (the “Code”) and (ii) interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of calculating the alternative minimum tax on individuals and corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include, among other things, limitations on the use of the bond-financed project, limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the Issuer file an information report with the Internal Revenue Service (the “Service”). The Issuer and the Borrower have covenanted in the Indenture, Financing Agreement and Regulatory Agreement that they will comply with these requirements.

Bond Counsel’s opinion will assume continuing compliance with the covenants of the Indenture, Financing Agreement and Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Issuer, the Borrower and the Underwriter with respect to matters solely within the knowledge of the Issuer, the Borrower and the Underwriter, respectively, which Bond Counsel has not independently verified. If the Issuer or the Borrower should fail to comply with the covenants in the Indenture, Financing Agreement and Regulatory Agreement or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income for federal income from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Interest on the Bonds is not treated as an “item of tax preference” to be included in the computation of “alternative minimum taxable income” for an individual or a corporation. Furthermore, interest on the Bonds is not treated as includable in the “adjusted current earnings” of a corporation for purposes of computing its alternative minimum tax liability.

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

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel’s knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and

covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Operation of the Project

In the case of bonds used to provide residential rental housing, such as the Bonds, section 142 of the Code requires that such bonds also satisfy the tenant eligibility requirements applicable to “qualified residential rental projects” under section 142(d) of the Code. Section 142(d) of the Code requires that at all times during the “qualified project period” a certain percentage of the available units in the Project be occupied by individuals with income below certain levels pursuant to the Issuer’s election made under section 142(d)(1) of the Code. The “qualified project period” for the Project will commence on the first day on which 10 percent of the units in the Project are occupied and will end on the latest of the following: (1) the date that is 15 years after the date on which at least 50 percent of the units in the Project are first occupied; (2) the date on which no tax-exempt private activity bond (as defined in section 141 of the Code) with respect to the Project remains outstanding; or (3) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates. Treasury Regulations (the “Regulations”) setting forth requirements for compliance with a comparable provision of the predecessor of section 142 of the Code require, among other things, that (1) the low-income set aside requirement must be met on a continuous basis during the “qualified project period”, and (2) all of the units in the Project must be rented or available for rental to the general public on a continuous basis during such period. Under the Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Regulations, unless corrected within a reasonable period of not more than 60 days after such non-compliance is first discovered or would have been discovered by the exercise of reasonable diligence, will cause interest on the Bonds to be includable in gross income for federal income tax purposes as of the date of their original issue, irrespective of the date such non-compliance actually occurred.

The Issuer has established requirements, procedures and safeguards that it believes to be sufficient to ensure compliance with the requirements of the Code and the Regulations with respect to the Project. Such requirements, procedures and safeguards are incorporated into the Regulatory Agreement, the Financing Agreement and the Indenture. In addition, the Issuer and the Trustee have each covenanted in the Indenture to follow and enforce such procedures to ensure compliance with such requirements. However, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer and the Trustee can be judicially enforced in such manner as to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income for federal income tax purposes of the interest on the Bonds. Furthermore, if the Borrower fails to comply with the Regulatory Agreement or the Financing Agreement, the enforcement remedies available to the Issuer, the Trustee and the Owners are severely limited and may be inadequate to prevent the loss of the excludability from gross income for federal income tax purposes of the interest on the Bonds retroactive to the date of issuance of the Bonds. In such event, there is no provision for acceleration or redemption of the Bonds, and the holders of the Bonds may be required to hold the Bonds until maturity bearing interest that is includable in gross income for federal income tax purposes.

Bond Counsel’s opinions assume continuous compliance with all covenants and requirements set forth in the Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Prospective purchasers should be aware that the Federal National Mortgage Association (“Fannie Mae”) has required the inclusion of a section in the Regulatory Agreement (the “Fannie Mae Requirements”) that provides that any action taken under the Regulatory Agreement may not conflict with applicable Fannie Mae requirements. Bond Counsel expresses no opinion as to whether any of the covenants and requirements set forth in the Regulatory Agreement conflict with such Fannie Mae requirements. Furthermore, Bond Counsel expresses no opinion as to whether the interest on the Bonds will be excludable from gross income for federal income tax purposes in the event that the Fannie Mae Requirements preclude compliance with any other of the covenants or requirements of the Regulatory Agreement.

Tax Legislative Changes

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

Additional Federal Income Tax Considerations

Collateral Tax Consequences

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

Tax Accounting Treatment of Original Issue Premium

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

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

NO LITIGATION

The Issuer

At the time of delivery and payment for the Bonds, the Issuer will deliver, or cause to be delivered, a certificate of the Issuer substantially to the effect that there is no litigation or other proceeding now pending or threatened against the Issuer of which the Issuer has notice or, to the knowledge of the Issuer, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof

or the financing of the Mortgage Loan or the pledge or application of any moneys or security provided for the payment of the Bonds or the existence or powers of the Issuer, or contesting in any material respect the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or challenging the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

The Borrower

At the time of delivery and payment for the Bonds, the Borrower will deliver, or cause to be delivered, a certificate of the Borrower substantially to the effect that there is no litigation of any nature now pending or, to the knowledge of the Borrower or its managing general partner, threatened in writing against or adversely affecting the existence of the Borrower or its managing general partner, involving the Project in any material respect or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the financing of the Mortgage Loan or the financing of the Project, or in any way contesting or affecting the validity or enforceability of the Bonds or the Bond documents to which the Borrower is a party, or any proceedings of the Borrower taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the Bonds, or contesting in any way the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers or authority of the Borrower with respect to the Bond documents to which it is a party or challenging the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds by the Issuer are subject to the approval of Bracewell & Giuliani, Austin, Texas, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by McCall, Parkhurst & Horton L.L.P., Dallas, Texas and Mahomes Bolden PC, Dallas, Texas. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP (US). Certain legal matters will be passed upon for the Borrower by its Counsel, Shackelford, Melton, McKinley & Norton, LLC, Dallas, Texas. Certain legal matters will be passed upon for the Underwriter by its Counsel, Eichner Norris & Neumann PLLC, Washington, D.C.

LEGALITY OF BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that bonds issued thereunder are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians and for all public funds of the State or other political corporations or subdivisions of the State. Such bonds are eligible to secure the deposit of public funds of the State, localities, school districts or other political corporations or subdivisions of the State, and shall be security for such deposits to the extent of their value.

UNDERWRITING

RBC Capital Markets, LLC has agreed, subject to certain conditions, to purchase the Bonds from the Issuer at an aggregate purchase price of \$23,399,248.33 and to make a public offering of the Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriter will be obligated to purchase all such Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$146,125.00 (which amount does not include the fees and expenses of its counsel).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of

this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

RATING

Moody's Investors Service, Inc. has assigned to the Bonds a rating of "Aaa." Such rating reflects only the view of such organization and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds.

A rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The rating agency will not undertake responsibility either to bring to the attention of the registered owner of the Bonds any proposed revision or withdrawal of the rating of the Bonds, if issued, or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered Borrower attempts to sell the same.

The rating agency has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of such rating subsequent to the date of the Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision or withdrawal.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer from the date hereof. Pursuant to the Indenture, the Issuer has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Indenture and to cause such books to be audited for each fiscal year. The Indenture requires that such books be open to inspection by the Trustee and the owners of not less than 25% of the Bonds issued thereunder during regular business hours of the Issuer and that the Issuer furnish a copy of the auditor's report, when available, upon the request of the owner of any Outstanding Bond.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Issuer and the purchasers or owners of any Bonds.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof have been duly authorized and approved by the Issuer and the Official Statement has been duly executed and delivered on behalf of the Borrower.

[Borrower's Signature Page to Official Statement]

DALCOR WILLIAMSBURG, LTD., a
Texas limited partnership

By: Dalcour Williamsburg GP, LLC, a
Texas limited liability company

By: /s/ M. Dale Dodson
M. Dale Dodson, Manager

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms, or summaries thereof, used in the Indenture or appearing in this Official Statement.

“Act” means Chapter 2306, Texas Government Code, as amended.

“Actual/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

“Assigned Loan” means the Mortgage Loan assigned to the Lender by the Issuer on the Closing Date.

“Attesting Officer” means such officer or official of the Issuer who in accordance with the Resolution, the laws of the State, the bylaws or other governing documents of the Issuer or practice or custom, regularly certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Officer” means the Chair or Vice Chair of the Governing Body, the Executive Director of the Issuer, the Deputy Executive Director of Asset Analysis and Management of the Issuer, the Director of Bond Finance of the Issuer, the Director of Multifamily Finance of the Issuer, the Director of Texas Homeownership of the Issuer and the Secretary or any Assistant Secretary to the Governing Body.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bonds” means the Multifamily Housing Revenue Bonds (Pass-Through -- Williamsburg Apartments), Series 2015, in the principal amount of \$23,150,000, including any bond or bonds, as the case may be, authorized under and secured by the Indenture and issued pursuant to the Indenture.

“Bond Counsel” means an attorney at law or a firm of attorneys of recognized expertise in the field of federal income tax matters relating to municipal securities selected by the Issuer and acceptable to the Trustee.

“Bond Documents” shall have the meaning assigned to such term in the Financing Agreement.

“Bond Fund” means the Fund created and so designated in the Indenture.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in the Indenture on which registration and transfer of the Bonds is to be recorded.

“Bond Registrar” means the Trustee.

“Bond Resolution” means the resolution of the Issuer adopted on November 12, 2015, authorizing the issuance and sale of the Bonds.

“Book Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Borrower” means Dalcor Williamsburg, Ltd., a Texas limited partnership.

“Borrower’s Tax Certificate” means the Borrower’s Tax Certificate executed by the Borrower and delivered on the Closing Date.

“Business Day” means, with respect to the Pass-Through Certificate and the Bonds, any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“Closing Date” means the date the Bonds are initially issued and delivered to the original purchaser or purchasers thereof.

“Code” means 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).

“Collateral Security Fund” means the fund of that name established by the Indenture.

“Collateral Security Interest Account” means the account of that name established by the Indenture.

“Collateral Security Principal Account” means the account of that name established by the Indenture.

“Completion Certificate” means the certificate attached as an exhibit to the Financing Agreement.

“Completion Date” means the date the Project is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of the date of the Indenture between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms of the Indenture.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, “issuance costs” 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.

“Costs of Issuance Fund” means the Fund created and so designated in the Indenture.

“Counsel’s Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the Trustee.

“Depository” means, initially, DTC and any replacement securities depository appointed under the Indenture.

“Dissemination Agent” means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, New York, New York.

“Electronic Means” means a facsimile transmission or any other electronic means of communication approved in writing by Fannie Mae.

“Event of Default” means any occurrence or event specified as such in the Indenture.

“Extension Deposit” means the deposit of Preference Proof Moneys described in the Indenture.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq., and its successors.

“Fannie Mae Trust Indenture” means that certain Trust Indenture of Fannie Mae in its corporate capacity and Fannie Mae in its trustee capacity, dated as of October 1, 2010, (for fully fixed rate mortgage loans) as amended and supplemented, pursuant to which the Pass-Through Certificate is issued.

“Favorable Opinion of Bond Counsel” means, with respect to any action the taking of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Bonds or such other customary exceptions that are acceptable to the recipient(s) thereof).

“Federal Tax Status” means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond during any period during which it is held by a “substantial user” of the Project or “related person” of such a “substantial user” within the meaning of Section 147(a) of the Code).

“Financing Agreement” means the Financing Agreement dated as of the date of the Indenture among the Issuer, the Borrower, the Lender and the Trustee, as it may be amended from time to time.

“First Payment Date” means January 26, 2016.

“Fund” or “Account” means a fund or account created by or pursuant to the Indenture.

“Governing Body” means the members of the governing board of the Issuer, or any governing body that succeeds to the functions of the governing board of the Issuer.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

“Highest Rating Category” has the meaning, with respect to an Investment, given in this definition. If the Bonds are rated by a Rating Agency, the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is “A-1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG-1” (for fixed rate) or “VMIG-1” (for variable rate) for one year or less and “Aaa” for greater than one year. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody’s rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated “AAA” by S&P and “Aa3” by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of

that rating agency, then the Investment will be deemed to be rated below the Highest Rating Category. For example, an Investment rated “AAA” by S&P and “A1” by Moody’s is not rated in the Highest Rating Category.

“Indenture” means the Indenture of Trust as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Initial Bond” means the initial Bond registered by the Comptroller and subsequently canceled and replaced by a definitive Bond pursuant to the Indenture.

“Investment” means any Permitted Investment and any other investment held under the Indenture that does not constitute a Permitted Investment.

“Issuer” means the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas.

“Issuer Administration Fee” means the fee payable annually in advance to the Issuer on each December 1, in the amount of .10% per annum of the aggregate principal amount of Bonds Outstanding at the inception of each payment period; provided that, on the Closing Date, the Borrower will pay the Issuer Administration Fee in advance to the Issuer for the period from the Closing Date to November 30, 2017; and provided further that the Trustee will remit to the Issuer, payable solely from funds provided by the Borrower, all payments of the Issuer Administration Fee due on or after December 1, 2017. The Issuer will submit an invoice to the Trustee for all Issuer Administration Fees due after the Closing Date.

“Issuer Compliance Fee” means the fee payable annually in advance to the Issuer on each December 1, in the amount of \$25 per unit in the Project (to be increased annually based on any corresponding increase in the Consumer Price Index); provided that, on the Closing Date, the Borrower will pay the Issuer Compliance Fee to the Issuer for the period from December 1, 2017 to November 30, 2018; and provided further that the Trustee will remit to the Issuer, solely from funds provided by the Borrower, all payments of the Issuer Compliance Fee due on or after December 1, 2018. The Issuer Compliance Fee is for bond compliance only, and an additional fee may be charged for tax credit compliance. The Issuer will submit an invoice to the Trustee for all Issuer Compliance Fees due after the Closing Date.

“Issuer Fees” means, collectively, the Issuer Administration Fee and the Issuer Compliance Fee.

“Lender” means Red Mortgage Capital, LLC, a Delaware limited liability company, and its successors and assigns.

“Mandatory Redemption Date” means December 1, 2016, as such date may be extended pursuant to Section 5.13(f).

“Maturity Date” means January 1, 2032, subject to final payment of principal with respect to the Pass-Through Certificate (January 26, 2032) which will be passed through to the Bondholders on January 27, 2032.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, as assigns credit ratings.

“Mortgage” means the Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated the Closing Date, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the property described in the Mortgage, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Mortgage Loan” means the mortgage loan made to the Borrower by the Issuer with respect to the Project on the Closing Date and assigned to the Lender.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Mortgage Loan Document and neither document is secured by the Mortgage.

“Mortgage Note” means that certain Multifamily Note from the Borrower payable to the order of the Issuer and endorsed by the Issuer, without recourse, to the order of the Lender, evidencing the Borrower’s obligation to repay the Mortgage Loan.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Officer’s Certificate” means a certificate signed by an Authorized Officer or, if such certificate pertains to official action taken by the Issuer or official records of the Issuer, by an Attesting Officer.

“Operating Fund” means the Fund created and so designated in the Indenture.

“Operating Revenues” means all amounts deposited into the Operating Fund from amounts paid under the Financing Agreement.

“Original Issue Premium” means \$231,500.

“Original Issue Price” means the price of \$23,381,500 paid upon the issuance of the Bonds, which includes the Original Issue Premium.

“Outstanding” means, when used with reference to the Bonds and as of any particular date, all Bonds theretofore and thereupon being delivered except (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation; (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Permitted Investments or moneys in the amounts, of the maturities and otherwise as described and required under the provisions of the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the provisions of the Indenture, and (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Certificate” means the Guaranteed Mortgage Pass-Through Certificate with respect to the Mortgage Loan bearing interest at the Pass-Through Rate, to be issued to and registered in the name of the Trustee by Fannie Mae pursuant to the Indenture.

“Pass-Through Certificate Purchase Price” means the principal amount outstanding on the Mortgage Loan plus accrued interest on the Pass-Through Certificate at the Pass-Through Rate. Such amount shall equal the original principal amount of the Mortgage Loan (\$23,150,000) less any scheduled principal payments on or prepayments of the Mortgage Loan prior to the Purchase Date.

“Pass-Through Certificate Revenues” means all payments made under and pursuant to the Pass-Through Certificate.

“Pass-Through Rate” means 3.45% per annum.

“Payment Date” means (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or

the next Business Day if the 26th is not a Business Day), and (iii) after the Purchase Date, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month [or the next Business Day if the 25th is not a Business Day] after payment is due on the underlying Mortgage Loan).

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

(a) Government Obligations; and

(b) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAAM by S&P or Aaa-mf by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAAM by S&P, if S&P is a Rating Agency, or Aaa-mf by Moody’s, if Moody’s is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAM-G or AAAM by S&P or Aaa-mf by Moody’s. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody’s rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

“Person” means any natural person, firm, partnership, association, limited liability company, corporation or public body.

“Placed in Service Date” means the date the Project is placed in service for purposes of Section 42 of the Code.

“Preference Proof Moneys” means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds, (iii) proceeds of the bridge loan by Sterling Bank deposited with the Trustee on behalf of the Borrower or (iv) moneys in connection with which the Trustee shall have been delivered on opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

“Proceeds Fund” means the Fund created and so designated in the Indenture.

“Project” means the multifamily rental housing development, known as Williamsburg Apartments, located in Grand Prairie, Texas, on the site described in the Mortgage.

“Purchase Date” means the date on which funds in the Collateral Security Principal Account are applied by the Trustee to the purchase of the Pass-Through Certificate.

“Qualified Financial Institution” means any of: (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by Fannie Mae the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (vii) any other entity which is acceptable to Fannie Mae.

“Rating Agency” means Moody’s or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns.

“Rebate Fund” means the Fund created and so designated in the Indenture.

“Record Date” means the fifteenth day of the month (regardless of whether a Business Day) immediately preceding each Payment Date.

“Redemption Price,” when used with respect to a Bond or portion thereof redeemed pursuant to mandatory redemption from principal payments or prepayments, means the principal amount of the Pass-Through Certificate or portion prepaid, plus premium, if any, paid and interest received pursuant to the Pass-Through Certificate as provided in the Indenture, and with respect to a Bond or portion thereof redeemed pursuant to mandatory redemption upon failure to purchase the Pass-Through Certificate, means the principal amount thereof to be redeemed plus interest thereon as provided in the Indenture to be paid from amounts in the Collateral Security Interest Account.

“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.

“Regulatory Agreement” means the Regulatory and Land Use Restriction Agreement relating to the Mortgaged Property, dated as of December 1, 2015, by the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

“Rehabilitation Account” means the Account of that name created within the Proceeds Fund.

“Representation Letter” has the meaning given to such term in the Indenture.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to the Financing Agreement, including the Issuer’s Fees; (c) all rights of the Issuer to receive any Rebate Amount pursuant to the Financing Agreement; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture, the other Financing Agreement and the Regulatory Agreement; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Financing Agreement, the Borrower’s Tax Certificate and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Financing Agreement, the Regulatory Agreement, the Mortgage, or the Subordinate Mortgage, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Financing Agreement, the Regulatory Agreement, the Mortgage, the Subordinate Mortgage or the Mortgage Note, (4) the maintenance of insurance by the Borrower, (5) no liability of the Issuer to third parties, and (6) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of the Indenture, the Financing Agreement, the Regulatory Agreement, the Mortgage, Subordinate Mortgage and the Mortgage Note, (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in the Indenture, the Regulatory Agreement or the Financing Agreement, and the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project, and (i) any and all rights under the Financing Agreement and the Regulatory Agreement required for the Issuer to enforce or to comply with Section 2306.186 of the Texas Government Code.

“Responsible Officer” means any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters and direct responsibility for the administration of the Indenture.

“Revenues” means the Pass-Through Certificate Revenues and the Operating Revenues.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services business, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, as assigns credit ratings.

“State” means the State of Texas.

“Subordinate Mortgage” means the Subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing dated as of December 1, 2015 from the Borrower for the benefit of the Trustee and the Issuer as security for the Borrower’s obligations under the Financing Agreement other than repayment of principal and interest on the Note.

“Substitute Depository” means a securities depository appointed as successor to DTC under the Indenture.

“Supplemental Indenture” means any indenture duly authorized and entered into after the date of the Indenture between the Issuer and the Trustee amending or supplementing the Indenture in accordance with the provisions of the Indenture.

“Tax Credit Investor” means AHP Housing Fund 80, LLC, and its successors and assigns.

“Tax Certificate” means, collectively, the No-Arbitrage Certificate of the Issuer and the Borrower’s Tax Certificate.

“Term Sheet” means the Term Sheet relating to the terms of the Mortgage Loan, the Assigned Loan and, when and if issued, the Pass-Through Certificate, dated the Closing Date and attached hereto as APPENDIX F.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses in the Indenture.

“Trustee” means Wilmington Trust, National Association and its successors and any successor trustee under the Indenture.

“Underwriter” means RBC Capital Markets, LLC.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summary of certain provisions of the Indenture does not purport to be complete, and is qualified in its entirety by reference to the specific terms of the Indenture.

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR. THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

Establishment of Funds

In addition to the Proceeds Fund established under the Indenture, the Trustee shall establish, maintain and hold in trust the following funds, each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Bond Fund;
- (b) Operating Fund;
- (c) Costs of Issuance Fund;
- (d) Collateral Security Fund; and
- (e) Rebate Fund.

Application of Revenues

All Pass-Through Certificate Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the Bond Fund.

Application of Operating Fund

All Operating Revenues shall be deposited into the Operating Fund. Amounts in the Operating Fund shall be withdrawn by the Trustee and used solely to pay first, any amount required to be deposited in the Rebate Fund to the extent sufficient funds are not otherwise made available to the Trustee for such purposes, second, on each

December 1 (beginning December 1, 2017), the Issuer Administration Fee, third, on each December 1 (beginning December 1, 2018), the Issuer Compliance Fee, fourth on each Payment Date the fees and expenses of the Trustee, and fifth, the fees and expenses incurred in connection with the determination of rebatable arbitrage. In the event the amounts in the Operating Fund are not equal to the amounts payable from the Operating Fund on any date on which such amounts are due and payable to fund such deficiency, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within five Business Days to the Trustee of the amount of such deficiency. No amount shall be charged against the Operating Fund except as expressly described under this caption.

Application of Bond Fund

The Trustee shall disburse from the Bond Fund, on each Payment Date an amount equal to the amount of the principal, including prepayments, interest and premium, if any, received on the Pass-Through Certificate on or immediately prior to such Payment Date.

Investment of Funds

The moneys held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any moneys attributable to each of the Funds under the Indenture shall be invested by the Trustee at the written direction or telephonic direction (promptly confirmed in writing) of the Borrower in Permitted Investments which mature or are redeemable at par on the earlier of (a) 180 days from the date of investment, or (b) the date on which such funds are expected to be needed for the purposes for which they are held. Notwithstanding anything in the Indenture to the contrary, all amounts in the Bond Fund and the Proceeds Fund shall be held uninvested, and all amounts in the Collateral Security Fund shall be uninvested or invested solely in Permitted Investments described in subparagraph (b) of the definition of Permitted Investments. If the Trustee does not receive written direction or telephonic direction (promptly confirmed in writing) from the Borrower regarding the investment of funds, the Trustee shall invest solely in Permitted Investments described in subparagraph (b) of the definition of Permitted Investments, which shall mature or be redeemable at par at the times set forth in the preceding sentence. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate.

Permitted Investments representing an investment of moneys attributable to any Fund shall be deemed at all times to be a part of such Fund. Such investments shall be sold at the best price obtainable whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted by the Indenture as an investment of moneys in that Fund.

All Permitted Investments acquired by the Trustee pursuant to the Indenture shall be purchased in the name of the Trustee and shall be held for the benefit of the holders of the Bonds and Fannie Mae pursuant to the terms of the Indenture. The Trustee shall take such actions as shall be necessary to assure that such Permitted Investments are held pursuant to the terms of the Indenture and are subject to the trust and security interest created in the Indenture.

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established in the Indenture, but shall account for each separately.

In computing for any purpose in the Indenture the amount in any Fund on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower has specifically waived such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Rebate Fund

The Rebate Fund shall not be subject to the lien or encumbrance of the Indenture, but shall be held in trust for the benefit of the United States of America, and shall be subject to the claim of no other person, including that of the Trustee and Bondholders. The interest on any Permitted Investments representing an investment of moneys in the Rebate Fund and any profit arising from the sale thereof shall be retained in the Rebate Fund. Any moneys deposited therein in accordance with the provisions of the Indenture shall be used for no other purpose than to make payments to the United States Treasury, at the time and in the manner and amount specified in the Indenture.

Costs of Issuance Fund

On or before the Closing Date the Borrower shall deliver to the Trustee for deposit in the Costs of Issuance Fund, amounts to pay Costs of Issuance from amounts other than Bond proceeds. The Trustee shall use amounts in the Costs of Issuance Fund to pay the Costs of Issuance on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Issuer, upon delivery to the Trustee of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit in the Costs of Issuance Fund three months after the Closing Date shall be returned to the Borrower.

Collateral Security Fund

(a) There shall be established within the Collateral Security Fund two Accounts: (i) a Collateral Security Principal Account, and (ii) a Collateral Security Interest Account.

(b) On the Closing Date, (i) the payment received by the Trustee from the Lender for the Assigned Loan in an amount equal to the principal amount of the Bonds shall be deposited to the Collateral Security Principal Account, (ii) accrued interest on the Bonds shall be deposited to the Collateral Security Interest Account, (iii) Bond proceeds in an amount equal to the interest on the Bonds for the remainder of the month of December 2015 from the Closing Date shall also be deposited to the Collateral Security Interest Account, and in an amount equal to 11 months of interest on the Bonds (e.g., to cover the period from January 1, 2016 to November 30, 2016) shall also be deposited to the Collateral Security Interest Account (for a total deposit to the Collateral Security Interest Account equal to 357 days' interest on the Bonds), and (iv) Original Issue Premium on the Bonds, if any, shall be deposited in the Collateral Security Principal Account.

(c) Moneys on deposit in the Collateral Security Fund (derived from the amount on deposit in the Collateral Security Principal Account and an amount on deposit in the Collateral Security Interest Account equal to the accrued interest on the Pass-Through Certificate) shall be applied by the Trustee to purchase the Pass-Through Certificate on the Purchase Date.

(d) If the Purchase Date occurs in the same month as the Closing Date (i.e., December 2015) or at any time prior to November 30, 2016, then following the Purchase Date the Trustee shall transfer the remaining balance in the Collateral Security Interest Account (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate) and in the Collateral Security Principal Account representing Original Issuer Premium to the Rehabilitation Account of the Proceeds Fund.

(e) If the Purchase Date occurs in a month following the Closing Date (e.g., January 2016) and on or prior to the Payment Date for such month, then the Trustee shall retain the amount on deposit in the Collateral Security Interest Account and apply moneys from such Account to pay the interest on the Bonds on the next Payment Date, so long as payment has already been made or provided for with respect to the Payment Date in the month in which the Purchase Date occurs. Any balance in the Collateral Security Interest Account following such Payment Date shall be, in the case of Bond proceeds, transferred to the Rehabilitation Account of the Proceeds Fund, or otherwise returned to the Borrower.

(f) The Borrower or the Tax Credit Investor may at any time (not later than the last day for which notice of redemption must be given pursuant to the Indenture) extend the Mandatory Redemption Date by depositing

Preference Proof Moneys to the credit of the Collateral Security Interest Account in an amount sufficient to pay the interest on the Bonds from the last Payment Date through and including the extended Mandatory Redemption Date (an "Extension Deposit").

(g) Extension Deposits shall continue to be made by the Borrower or the Tax Credit Investor until the Purchase Date occurs or the Borrower or the Tax Credit Investor declines to make an Extension Deposit resulting in the mandatory redemption of the Bonds upon failure to purchase the Pass-Through Certificate.

(h) If a Purchase Date has not yet occurred and the Borrower or the Tax Credit Investor has deferred the Mandatory Redemption Date by making an Extension Deposit, the Trustee shall apply amounts on deposit in the Collateral Security Interest Account to pay the preceding month's accrual of interest on the Bonds on the next Payment Date. On any Payment Date, the Trustee shall also apply amounts on deposit in the Collateral Security Principal Account equal to the amount set forth in the Mortgage Loan amortization schedule on the first day of the month immediately preceding such Payment Date included in the Term Sheet to redeem principal on the Bonds on such Payment Date; such redemption shall be in an amount equal to the preceding month's principal amortization on the Mortgage Loan as set forth in the Mortgage Loan amortization schedule included in the Term Sheet.

(i) If the Bonds are redeemed upon failure to purchase the Pass-Through Certificate, the Trustee shall apply amounts on deposit in the Collateral Security Principal Account representing Original Issuer Premium to pay the premium due on the Bonds.

(j) After the Purchase Date, the Trustee shall remit to the Borrower any moneys on deposit in the Bond Account deriving from the Mortgage Loan that are not needed to pay debt service on or the Redemption Price of the Bonds due to the operation of the Collateral Security Interest Account.

(k) Moneys on deposit in the Collateral Security Fund shall be uninvested or invested as provided for under the caption "Investment of Funds" above at a yield not exceeding the Bond Yield.

Defeasance

(a) If all Bonds shall be paid and discharged as provided in the Indenture, then all obligations of the Trustee and the Issuer under the Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (ii) the obligation of the Issuer to pay the fees, charges and expenses owing to the Trustee under the Indenture from the Trust Estate, and (iii) the obligation of the Issuer to comply with the provisions of the Indenture with respect to federal tax and arbitrage matters. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in the Indenture.

Any Bond or portion thereof in an authorized denomination shall be deemed no longer Outstanding under the Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Bond Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed in subparagraph (a) under the definition of Permitted Investments in the Indenture in such amount as in the written opinion of a certified public accountant will, together with the interest to accrue on such Permitted Investments without the need for reinvestment, be fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of subsection (a) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with the Indenture to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of subsection (a) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of subsection (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm to provide for the payment of all Bonds to be defeased pursuant to the Indenture.

No Release of Pass-Through Certificate

Except as described under this caption and “Transfer of Pass-Through Certificate” below, the Trustee shall not release and discharge the Pass-Through Certificate from the lien of the Indenture until the principal of, premium, if any, and interest on the Bonds shall have been paid or duly provided for under the Indenture. The Trustee shall not release or assign the Pass-Through Certificate to any person other than a successor Trustee so long as Fannie Mae shall not be in default thereunder.

Transfer of Pass-Through Certificate

The Trustee shall maintain the Pass-Through Certificate in book entry form in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of the Pass-Through Certificate.

Modification of Mortgage Terms

To the extent allowed by applicable State law, the Issuer shall consent to the modification of, or modify, the amount of time or payment of any installment of principal or interest on any Mortgage Loan or the security for or any terms or provisions of any Mortgage Loan or Mortgage or the security for the same or the rate or rates of interest on the Mortgage Loans, solely to the extent required by federal or State law or regulations.

Events of Default

Each of the following shall constitute an Event of Default under the Indenture:

(a) Failure by Fannie Mae to pay principal, interest or premium, if any, due under the Pass-Through Certificate;

(b) Failure to pay the principal, interest or premium, if any, on the Bonds when the same shall become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of at least 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee, upon any failure by Fannie Mae to distribute to the Trustee any payment required to be made under the terms of the Pass-Through Certificate, shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) requiring the failure to be remedied.

The Trustee will immediately notify the Issuer, the Bondholders, the Lender and Fannie Mae after a Responsible Officer obtains knowledge or receives notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration

Upon the occurrence of an Event of Default as described in subsection (a) above, the Trustee may, and upon the written request of the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, which written request shall acknowledge that the amounts due on the Pass-Through Certificate cannot be accelerated solely by virtue of acceleration of the Bonds, and upon receipt of indemnity satisfactory to it, shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Subject to the provisions described under the caption "No Interference or Impairment of Pass-Through Certificate" below, upon the occurrence of an Event of Default as described under subsection (b) above, no action shall be taken by the Trustee, unless an Event of Default has occurred pursuant subsection (a) above in which event the Trustee shall proceed as provided above. An Event of Default as described under subsection (c) above shall not give rise to an acceleration pursuant to the provisions described under this caption, provided, however, that following such an Event of Default, the holder of 100% of the Bonds then Outstanding may direct the Trustee in writing to transfer the Pass-Through Certificate to it or its designee, in which case, the Trustee shall cancel the Bonds upon such release and transfer of the Pass-Through Certificate, and upon such transfer, the Bonds will no longer be Outstanding. In the event any payments are received by the Trustee after the transfer of the Pass-Through Certificate and cancellation of the Bonds, all such payments shall belong to and be transferred to the owner of the Pass-Through Certificate.

The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the Pass-Through Certificate.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds then Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders

Subject to the provisions described under the caption "No Interference or Impairment of Pass-Through Certificate" below, upon the happening and continuance of an Event of Default the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

- (a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate, and prior to the Purchase Date, the Mortgage;

(b) Upon an Event of Default as described in subsection (a) of “Events of Default” above only, by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture (including the sale or disposition of the Pass-Through Certificate); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above in the Indenture.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture, the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate existing now or after the date of the Indenture at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Application of Moneys After Default

All moneys collected by the Trustee at any time pursuant to the Indenture after an Event of Default shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee to the Bond Fund. Such moneys so credited to the Bond Fund and all other moneys from time to time credited to the Bond Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the Indenture.

Subject in all instances to the provisions of the Indenture, in the event that at any time the moneys credited to the Bond Fund, or any other funds held by the Issuer or the Trustee available for the payment of interest or principal then due with respect to the Bonds, shall be insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in the Indenture) shall be applied as follows:

(a) Only in the event that there has been an Event of Default under the Indenture pursuant to subsection (a) of “Events of Default” above as a result of a failure by Fannie Mae to make payments under the Pass-Through Certificate, for payment of all amounts due to the Trustee incurred in performance of its duties under the Indenture and the other documents executed in connection therewith, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under the Indenture and the other documents executed in connection with the Indenture;

(b) Unless the principal of all of the Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of and premium, if any, on the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference and then to the payment of any premium due on the Bonds, ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference; and

(c) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Control of Proceedings

In the case of an Event of Default as described in subsection (a) under “Events of Default” above, the holders of 75% in aggregate principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or otherwise adversely affect the Trustee or be unjustly prejudicial to Bondholders not parties to such direction.

No Interference or Impairment of Pass-Through Certificate

Notwithstanding any other provision of the Indenture to the contrary, so long as the Pass-Through Certificate remains outstanding and Fannie Mae is not in default in its payment obligations thereunder, neither the Issuer, the Trustee nor any person under their control shall, without the prior written consent of Fannie Mae, exercise any remedies or direct any proceedings under the Indenture other than to (a) enforce rights under the Pass-Through Certificate, (b) enforce the tax covenants in the Indenture and the Financing Agreement, or (c) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (b) or (c) above shall not include seeking monetary damages other than actions for Issuer Fees or the Trustee’s fees and expenses.

Nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Trustee to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Indenture and in said Bonds.

Supplemental Indentures Effective Upon Acceptance

For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by an Authorized

Officer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

(a) To add to the covenants or agreements of the Issuer contained in the Indenture other covenants or agreements to be observed by the Issuer or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;

(b) To add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Issuer in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture and is not materially adverse to the interests of the Bondholders;

(d) To confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;

(e) To appoint a co-trustee or successor Trustee or successor co-trustee;

(f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture;

(g) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and

(h) To make such changes and modifications that are necessary or desirable to provide for all interest, principal and premium paid with respect to the Bonds are in the exact respective amounts of the payments of interest, principal and premium paid under and pursuant to the Pass-Through Certificate.

Supplemental Indentures Requiring Consent of Bondholders

In addition to those amendments to the Indenture which are authorized by the provisions described under the caption "Supplemental Indentures Effective Upon Acceptance" above, any modification or amendment of the Indenture, in any particular, may be made by a Supplemental Indenture with the written consent, given as provided in the Indenture, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

Amount and Source of Mortgage Loan

Upon the issuance and delivery of the Bonds, pursuant to the Indenture the Issuer will make the Mortgage Loan to the Borrower and the Borrower will apply the proceeds of the Bonds as provided in the Indenture to pay Project costs. The Trustee shall apply the proceeds of the Assigned Loan as described in “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund” to secure the Bonds until the Purchase Date and then to Purchase the Pass-Through Certificate. The Borrower will accept the Mortgage Loan from the Issuer, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer will cause the proceeds of the Assigned Loan to be provided to the Trustee for deposit to the Collateral Security Principal Account of the Collateral Security Fund. The Borrower has acknowledged its obligation to pay all amounts necessary to pay principal and interest on the Bonds. The Borrower has made arrangements for the delivery to the Trustee of the Pass-Through Certificate as contemplated in the Financing Agreement and in the Indenture. Payments on the Pass-Through Certificate received by the Trustee shall be credited to amounts due from the Borrower for payment of principal and interest on the Bonds.

Payment of Fees and Expenses

In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Note, the Borrower shall pay, without duplication, the following fees and expenses:

- (a) All amounts required to (i) pay the fees of the Trustee for its duties and services as Trustee in connection with the Bonds (as such duties and services are set out in the Indenture), and (ii) reimburse the Trustee for all out-of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and taxes (excluding income, value added and single business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture. All payments for fees and expenses shall be made by the Borrower not later than ten (10) days after receipt of invoices or other statements rendered to the Borrower by the Trustee.
- (b) The Issuer Fees.
- (c) The fees of the Rebate Analyst (as defined in the Financing Agreement) and any other consultant as required by the Financing Agreement and, upon receipt of an appropriately completed invoice, all out-of-pocket expenses of the Rebate Analyst and any other consultant.
- (d) The annual rating maintenance fee, if any, of any Rating Agency then rating the Bonds.
- (e) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys’ fees and underwriters’ fees, and all expenses of originating the Mortgage Loan by the Lender and assigning and delivering the Mortgage Loan to Fannie Mae, the Borrower acknowledging that all such fees, costs and expenses (excluding the portions of the ongoing trust administration fees of the Trustee, the Issuer’s annual fee and the Rebate Analyst’s fee to the extent included in the Mortgage Note Rate) must be paid by the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.
- (f) The Costs of Issuance deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to the Indenture.

The Borrower shall either pay the foregoing items directly or, to the extent such items are to be paid by the Trustee under the Indenture, shall pay as Operating Revenue to the Trustee for deposit to Operating Fund under the Indenture amounts sufficient to enable the Trustee to pay the foregoing items in a timely manner.

The Borrower shall pay through the Lender all fees and expenses not included within the Mortgage Note Rate. Issuer Fees shall not be secured by the Mortgage, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects and shall be secured by the Subordinate Mortgage subject to the provisions of the Subordination Agreement. No fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the Pass-Through Certificate, except with respect to the Trustee to the extent set forth in the Indenture.

Notification of Prepayment of Mortgage Note

The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise, unless the Lender has received written evidence that the Borrower has notified the Trustee of such prepayment. If such prepayment results in revisions to the amortization schedule included in the Term Sheet, the Lender shall provide the revised amortization schedule to the Trustee.

Term Sheet

The Lender will deliver on the Closing Date the Term Sheet in the form attached as APPENDIX F hereto and will certify by its execution of the Financing Agreement that the information set forth therein is accurate as of the Closing Date. The Lender has agreed that it will promptly advise the Issuer, the Trustee and the Underwriter in writing of any changes which occur in the information set forth in the Term Sheet after the Closing Date and before the date on which the Pass-Through Certificate is acquired by the Trustee pursuant to the provisions of the Indenture; provided, however, that such changes may only be made to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Term Sheet.

Indemnification

To the fullest extent permitted by applicable law, the Borrower has covenanted and agreed as follows: to protect, indemnify and save the Issuer and its governing board members, directors, officers, agents and employees harmless from and against all liability, losses, damages, costs, expenses (including reasonable attorneys' fees), taxes, causes of action, suits, claims, demands and judgments of any nature or form, by or on behalf of any person arising in any manner from the transaction of which the Financing Agreement is a part or arising in any manner in connection with the Project or the financing of the Project including, without limiting the generality of the foregoing, arising from (i) the work done on the Project or the operation of the Project during the term of the Financing Agreement or (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under the Financing Agreement, or (iii) the Project or any part thereof, or (iv) any violation of contract, agreement or restriction relating to the Project excluding the payment of the principal, premium, if any, and interest on the Bonds, or (v) any liability, violation of law, ordinance or regulation affecting the Project or any part thereof or the ownership or occupancy or use thereof. Upon notice from the Issuer or any of its respective governing board members, directors, officers, agents or employees, the Borrower shall defend the Issuer or any of its respective governing board members, directors, officers, agents or employees in any action or proceeding brought in connection with any of the above; provided, however, that the Issuer shall have the right to employ separate counsel in any action described in the preceding sentence at the expense of the Borrower.

It is the intention of the parties to the Financing Agreement that the Issuer and its respective governing board members, directors, officers, agents and employees shall not incur pecuniary liability by reason of the terms of the Financing Agreement or by reason of the undertakings required of the Issuer and its respective governing board members, directors, officers, agents and employees in connection with the issuance of the Bonds, including but not limited to the execution and delivery of the Indenture, the Financing Agreement, the Regulatory Agreement, and all other instruments and documents required to close the transaction; the performance of any act required of the Issuer and its respective governing board members, directors, officers, agents and employees by the Financing Agreement; or the performance of any act requested of the Issuer and its respective governing board members, directors, officers, agents and employees by the Borrower or in any way arising from the transaction of which the Financing

Agreement is a part or arising in any manner in connection with the Project or the financing of the Project, including but not limited to the execution and delivery of the Indenture, the Financing Agreement, the Regulatory Agreement and all other instruments and documents required to close the transaction; nevertheless, if the Issuer or its respective governing board members, directors, officers, agents and employees should incur any such pecuniary liability with respect to events occurring after the date of the Financing Agreement, then in such event the Borrower shall indemnify and hold the Issuer and its respective governing board members, directors, officers, agents and employees harmless against all claims by or on behalf of any person, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon timely notice from the Issuer the Borrower shall defend the Issuer and its respective governing board members, directors, officers, agents and employees in any such action or proceeding the Issuer shall have the right to employ separate counsel in any action described in the preceding sentence at the expense of the Borrower.

Notwithstanding any provision of the Financing Agreement to the contrary, the Issuer shall be indemnified by the Borrower with respect to liabilities arising from the Issuer's own gross negligence, negligence or breach of contractual duty, but not for any liabilities arising from the Issuer's own bad faith, fraud or willful misconduct.

Notwithstanding any provision of the Financing Agreement to the contrary the Borrower's obligations with respect to indemnification will not be secured by the Project and shall be personal obligations of the Borrower and any successor owner of the Project by foreclosure, deed in lieu of foreclosure or otherwise shall not be responsible for or incur any liability with respect to any indemnification obligations described in the Financing Agreement.

The Borrower has covenanted and agreed to indemnify, hold harmless and defend the Trustee, the Lender and their respective officers, members, directors, officials, agents and employees and each of them (each an "indemnified party") from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated by the Financing Agreement or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of refinancing for the Project or the making of the Mortgage Loan; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Mortgage Loan or the Project; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the Issuer or the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture, the Regulatory Agreement and the Financing Agreement; (f) any and all claims arising in connection with the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee's acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under the Financing Agreement, the Regulatory Agreement or any other agreements in connection therewith to which it is a party; except (i) in the case of the foregoing indemnification of the Trustee or the Lender or any of their respective officers, members, directors, officials and employees, to the extent such damages are caused by the negligence or willful misconduct of such Person; or (ii) in the case of the foregoing indemnification of the Issuer or any of its officers, members, directors, officials and employees, to the extent such damages are caused by the willful misconduct of such Person. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought under the Financing Agreement, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party's sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Trustee and the Lender shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to the provisions described under this caption if such subsequent owner fails to indemnify any party entitled to be indemnified under the Financing Agreement, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower under the Financing Agreement.

During any period that Fannie Mae owns the Project and that the provisions described under this caption are applicable to Fannie Mae, Fannie Mae's obligations under this caption shall be limited to acts and omissions of Fannie Mae occurring during the period of Fannie Mae's ownership of the Project.

Events of Default

(a) Each of the following shall constitute an event of default under the Financing Agreement, and the term "Event of Default" shall mean, whenever used in the Financing Agreement, any one or more of the following events:

(i) Failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required thereby; or

(ii) Failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (i) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

(iv) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Bond Documents.

Nothing contained in the provisions of the Financing Agreement described above is intended to amend or modify any of the provisions of the Mortgage Loan Documents nor to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

Remedies Upon an Event of Default

(a) Subject to the provisions described in paragraph (d) below, whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies existing now or after the date of the Financing Agreement at law or in equity to collect all amounts then due and thereafter to become due under the Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under the Financing Agreement (subject to the nonrecourse provisions of the Financing Agreement and the Regulatory Agreement) or, to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (1) the Financing Agreement, or (2) the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of the Financing Agreement described in paragraph (a) above are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable thereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Bond Documents, the Mortgage Loan Documents or any other documents contemplated thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Bond Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Agreement any amounts collected pursuant to action described under this caption shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No such action taken as described above shall relieve the Borrower from the Borrower's obligations pursuant to the provisions described under "Indemnification" above.

(e) No remedy in the Financing Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy existing now or after the date of the Financing Agreement pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the Purchase Date, so long as Fannie Mae is not in default under the Pass-Through Certificate, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the Pass-Through Certificate, (ii) enforce the tax covenants in the Indenture and the Financing Agreement, or (iii) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages other than the Issuer Fees and the Trustee's fees and expenses.

Default Under Regulatory Agreement

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within thirty (30) days after the earlier of the date the violation is discovered by the

Issuer or the Trustee or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf of and at the request of the Issuer, shall institute an action for specific performance to correct the violation. The Borrower has acknowledged and agreed that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower has agreed that the remedy of specific performance (subject to the provisions of described in paragraph (d) under “Remedies Upon an Event of Default” above) shall be available to the Issuer and/or the Trustee in any such case.

(b) Notwithstanding the availability of the remedy of specific performance provided for in the provisions of the Financing Agreement described in paragraph (a) above, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender, inform the Lender that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

December __, 2015

Texas Department of Housing and
Community Affairs
Austin, Texas

Wilmington Trust, National Association,
as Trustee
Dallas, Texas

RBC Capital Markets, LLC
St. Petersburg, Florida

Fannie Mae
Washington, DC

Ladies and Gentlemen:

We have represented the Texas Department of Housing and Community Affairs (the “Issuer”) in connection with the issuance by the Issuer of its \$23,150,000 Multifamily Housing Revenue Bonds (Pass Through – Williamsburg Apartments), Series 2015 (the “Bonds”) pursuant to a resolution adopted by the Governing Board of the Issuer on November 12, 2015 (the “Bond Resolution”) and an Indenture of Trust dated as of December 1, 2015 (the “Indenture”), by and between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). The Bonds bear interest, mature on the date, and are subject to optional redemption prior to maturity as provided in the Indenture. Capitalized terms used herein and not otherwise defined are used with the meanings assigned to such terms in the Indenture, in the Financing Agreement dated as of December 1, 2015 (the “Financing Agreement”) among the Issuer, the Trustee, Dalcour Williamsburg, Ltd., a Texas limited partnership (the “Borrower”), and Red Mortgage Capital, LLC, as lender (the “Lender”) or in the Regulatory and Land Use Restriction Agreement dated as of December 1, 2015 (the “Regulatory Agreement”), among the Issuer, the Trustee, and the Borrower.

The Bonds are being issued for the purpose of obtaining funds to make a mortgage loan (the “Bond Mortgage Loan”) to the Borrower to finance the acquisition, equipping and rehabilitation of a multifamily residential rental development located within Dallas County, Texas (the “Development”), to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Issuer, and persons with special needs, all as required by the Act, and to be occupied at least partially (at least forty percent of the Units) by Low-Income Tenants.

We have assumed with your permission and without independent verification (i) the genuineness of certificates, records and other documents (collectively, “documents”) submitted to us and the accuracy and completeness of the statements contained therein; (ii) the due authorization, execution and delivery of the Indenture by the parties thereto, and the validity and binding effect of the Indenture on such parties; (iii) that all documents submitted to us as originals are accurate and complete; (iv) that all documents submitted to us as copies are true and correct copies of the originals thereof; and (v) that all information submitted to us and on which we have relied was accurate and complete.

The scope of our representation extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Bonds and the security therefor and with respect to the exclusion from gross income for federal income tax purposes of interest on the Bonds. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto (excepting only the matters set forth as our supplemental opinion of Bond Counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Issuer or the Borrower, or the disclosure thereof. We have participated in the preparation of and have examined a transcript of certain materials pertaining to the Bonds, including certain certified proceedings of the Issuer, the State of Texas, the Trustee and the Borrower, and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Issuer, the State of Texas, the Trustee, the Borrower and others. We have also examined such applicable

provisions of the Internal Revenue Code of 1986, as amended (the “Code”), court decisions, Treasury Regulations and published rulings of the Internal Revenue Service (the “Service”) as we have deemed relevant. We have also examined the fully-executed Bond numbered R-1.

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

1. The Issuer has duly authorized the issuance, execution and delivery of the Bonds. The Bonds constitute legal, valid and binding special limited obligations of the Issuer and are entitled to the benefit and security of the Indenture.
2. Interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to the interest on any Bond for any period during which such Bond is held by a “substantial user” of the Development or a “related person” of such a “substantial user,” as those terms are defined for purposes of Section 147(a) of the Code.
3. Interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of calculating the alternative minimum tax on individuals and corporations.

In providing the opinions set forth in paragraphs 2 and 3 above, we have relied on, and assumed the accuracy and completeness of, representations made as of the date hereof by, among others, the Issuer, the Borrower and RBC Capital Markets, LLC, as underwriter, with respect to matters solely within the respective knowledge of such parties, which matters we have not independently verified. Furthermore, in providing the opinions set forth in paragraphs 2 and 3 above, we have also assumed that there will be continuing compliance with the procedures, safeguards and covenants in the Indenture, the Financing Agreement, the Regulatory Agreement and the Tax Certificate pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer or the Borrower fails to comply with the foregoing procedures, safeguards and covenants, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture and related documents, upon the advice or with an approving opinion of Bond Counsel. We hereby express no opinion with respect to our ability to render an opinion that such actions, if taken or omitted, will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

We express no opinion as to the priority or perfection of the security interest granted by the Issuer in the Trust Estate.

The enforceability of certain provisions of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore, availability of equitable remedies under the Bonds may be limited by general principles of equity that permit the exercise of judicial discretion.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits” tax on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

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

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer and the Borrower have each covenanted in the Indenture and the Financing Agreement not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Very truly yours,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is dated as of December 1, 2015 and is executed and delivered by Dalcour Williamsburg, Ltd. (the “Borrower”), and Wilmington Trust, National Association (the “Dissemination Agent”) in connection with the issuance of \$23,150,000 Multifamily Housing Revenue Bonds, (Pass-Through – Williamsburg Apartments), Series 2015 (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2015 (the “Indenture”), between the Texas Department of Housing and Community Affairs (the “Issuer”) and Wilmington Trust, National Association, as Trustee (the “Trustee”). The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Financing Agreement, dated as of December 1, 2015, among the Issuer, the Trustee, the Borrower and Red Mortgage Capital, LLC (the “Lender”) (the “Financing Agreement”). For valuable consideration, the receipt of which is acknowledged, the Dissemination Agent and the Borrower covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the Bondholders (defined below) and the beneficial owners of the Bonds, and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture and in the Financing Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the first paragraph of this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Bondholder” or the term “Holder”, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Bond and any beneficial owner thereof.

“Disclosure Representative” shall mean any person designated by the Borrower or his or her designee, in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean the initial Dissemination Agent hereunder, which is Wilmington Trust, National Association, or any successor Dissemination Agent designated in writing by the Borrower and acceptable to the Issuer and which has filed with the Dissemination Agent a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

“Participating Underwriters” shall mean any or all of the original broker, dealer or municipal securities dealer acting as underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) The Borrower, commencing in 2016, shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Borrower’s fiscal year, provide to the MSRB, with a copy to the Issuer, the Dissemination Agent and the Trustee, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. On or prior to said date (except that in the event the Borrower elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the Borrower to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Borrower has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report; and provided further that audited financial statements of the Borrower shall be submitted as soon as practicable after the audited financial statements become available. The Borrower shall promptly notify the Dissemination Agent of any change in the Borrower’s fiscal year. Unless otherwise provided by law, any Continuing Disclosure Information filed pursuant to this Disclosure Agreement shall be provided to the MSRB in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32. As of the date hereof, EMMA is the electronic format prescribed by the MSRB.

(b) If by 15 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Borrower to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a reminder notice to the Borrower and the Issuer and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the Borrower, the Issuer and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Borrower has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Disclosure Agreement, and stating the date it was provided (if such report was provided).

SECTION 4. Content of Annual Reports. (a) The Borrower’s Annual Report shall contain its audited financial statements for the prior fiscal year, prepared in accordance with generally accepted accounting principles.

(b) Any or all of the items listed above may be incorporated by reference from other documents, including financial statements provided under (a) above, the original Official Statement for the Bonds, or other official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been (i) made available to the public on the MSRB’s Electronic Municipal Markets Access (EMMA) System, the current internet web address of which is www.emma.msrb.org, or (ii) filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Borrower shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Borrower shall, or shall cause the Dissemination Agent to, give notice of the occurrence of any of the following Listed Events relating to the Bonds to the MSRB in a timely manner not later than ten (10) Business Days after the occurrence of any such Listed Event;

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional trustee or the change of the name of the trustee, if material.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any of the Listed Events set forth in subsection (a) above, contact the Disclosure Representative and inform such

person of the event. “Actual knowledge” for purposes of this subsection (b) shall mean actual knowledge of an officer of the Corporate Trust Administration of the Dissemination Agent.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event set forth in clauses (2), (7), (8) (relating to Bond calls only), (10), (13) or (14) of subsection (a) above, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Borrower shall as soon as possible determine if such event would constitute material information for Bondholders, and if such event is determined by the Borrower to be material, the Borrower shall, or shall cause the Dissemination Agent to, give notice of such event to the MSRB not later than ten (10) Business Days after the occurrence of such event.

(d) If the Borrower elects to have the Dissemination Agent file notice of any Listed Event, the Borrower will provide the notice to the Dissemination Agent within 5 Business Days after the occurrence of the Listed Event, along with an instruction to file the notice with the MSRB.

SECTION 6. Termination of Reporting Obligation.

The Borrower’s and the Dissemination Agent’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Borrower’s obligations under the Financing Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower. The original Borrower shall have no further responsibility hereunder only to the extent that the Borrower ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

In addition, the Borrower’s obligations under the provisions of this Disclosure Agreement shall terminate (in whole or in part, as the case may be) in the event that (1) the Borrower delivers to the Dissemination Agent, the Trustee, and the Issuer an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Dissemination Agent, the Trustee and the Issuer, to the effect that those portions of the Rule which require the provisions of this Disclosure Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion (but such termination of the Borrower’s obligations shall be effective only to the extent specifically addressed by such opinion), and (2) the Dissemination Agent delivers copies of such opinion to (i) the MSRB, (ii) the Issuer, (iii) the Trustee (if other than the Dissemination Agent), and (iv) RBC Capital Markets, LLC as Participating Underwriter. The Dissemination Agent shall so deliver such opinion promptly.

SECTION 7. Dissemination Agent.

(a) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer, the Borrower and the registered owners of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the Borrower or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the Borrower shall forthwith appoint a Dissemination Agent to act. The Borrower shall give or cause to be given written notice of any such appointment to the Owners (as such term is defined in the Financing Agreement), the Trustee (if the Trustee is not the Dissemination Agent), and the Issuer.

(d) Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment not modifying or otherwise affecting its duties, obligations or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Agreement may be waived, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Borrower or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Borrower shall have delivered an opinion of counsel, addressed to the Issuer, the Borrower, the Dissemination Agent and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Borrower shall have delivered to the Issuer, the Trustee and the Dissemination Agent an opinion of counsel, or a determination by a person, in each case unaffiliated with the Borrower (such as bond counsel) and acceptable to the Borrower, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (ii) the Holders of the Bonds consent to the amendment to this Disclosure Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of the Holders of the Bonds pursuant to the Indenture as in effect on the date of this Disclosure Agreement, and (5) the Borrower shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event. Nothing in this Disclosure Agreement shall be deemed to prevent the Dissemination Agent from providing a notice or disclosure as it may deem appropriate pursuant to any other capacity it may be acting in related to the Bonds.

SECTION 10. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the Bonds, or any Bondholder may, after providing fifteen (15) days written notice to the Borrower to give the Borrower opportunity to comply within such fifteen-day period, take such actions as may be necessary and appropriate to compel performance, including seeking mandamus or specific performance by court order, in order to cause the Borrower to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or under the Financing Agreement, and the sole remedy available to the Dissemination Agent, any beneficial owners of the Bonds or the Bondholders under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the Borrower in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the Borrower. The Borrower agrees to indemnify

and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Unless otherwise provided by contract with the Dissemination Agent, the Borrower shall pay or cause to be paid to the Dissemination Agent after reasonable notice to the Borrower in light of the reimbursement sought to be received, reasonable reimbursement for its reasonable expenses, charges, counsel fees and expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The Borrower shall indemnify and save the Dissemination Agent harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or default. None of the provisions contained in this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Borrower under this Section to compensate the Dissemination Agent, to pay or reimburse the Dissemination Agent for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Dissemination Agent shall survive the termination of this Disclosure Agreement.

In no event shall the Dissemination Agent be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to, lost profits), even if the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 12. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current internet web address of which is www.emma.msrb.org.

All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriters, parties who can establish beneficial ownership of the Bonds and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Notices. The parties hereto may be given notices required hereunder at the addresses set forth for them in the Financing Agreement or the Indenture.

SECTION 16. Applicable Law. This Disclosure Agreement shall be governed by the laws of the State of Texas, and by applicable federal laws.

DALCOR WILLIAMSBURG, LTD., a
Texas limited partnership

By: Dalcors Williamsburg GP, LLC, a
Texas limited liability company

By: _____
M. Dale Dodson, Manager

DISSEMINATION AGENT:

WILMINGTON TRUST, NATIONAL ASSOCIATION,

By: _____
Name:
Title:

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**EXHIBIT A
TO CONTINUING DISCLOSURE AGREEMENT**

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Texas Department of Housing and Community Affairs (the "Issuer").

Name of Bond Issue: \$23,150,000 Multifamily Housing Revenue Bonds (Pass-Through – Williamsburg Apartments), Series 2015.

Name of Borrower: Dalcour Williamsburg, Ltd.

Date of Issuance: December __, 2015.

NOTICE IS HEREBY GIVEN that the Borrower has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between Dalcour Williamsburg, Ltd. (the "Borrower"), and Wilmington Trust, National Association (the "Dissemination Agent") dated as of December 1, 2015. The Borrower has informed the Dissemination Agent that the Annual Report will be filed with the Dissemination Agent by _____.

Dated: _____

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Borrower
 Issuer

APPENDIX F

TERM SHEET

Term Sheet

Information provided by Lender for Official Statement

Represents an excerpt of the term sheet schedules to the MBS Prospectus Supplement, edited for purposes of the Official Statement

<i>Pool Statistics</i>	
Issuance Principal Balance	\$23,150,000
Security Maturity Date	1/1/2032
Term to Maturity (months)	192
Security Funds Transfer Type	Wire
Security Type	MBS
Seller Name	Red Mortgage Capital, LLC
Servicer Name	Red Mortgage Capital, LLC
<i>Loan Information</i>	
Pool Issue Date <i>anticipated</i>	12/22/2015
Pool Number	AN0395
Loan Maturity Date	1/1/2032
Lien Priority	1 st
Balloon Y/N	Yes
Pass-Through Rate to Investor	3.45%
Servicing Fee	0.40%
Guarantee Fee	0.61%
Mortgage Rate	4.46%
Original Principal Balance	\$23,150,000
Issuance Principal Balance	\$23,150,000
Prepayment Lockout Term (months)	N/A
Prepayment Premium End Date	6/30/2031
Yield Maintenance Period, Years 1-15.5 (dates)	12/9/2015-6/30/2031
First Payment Date	2/1/2016
Original Amortization Term (Months)	420
Interest Type	Fixed
Interest Accrual Method	Act/360
Interest Only End Date	1/1/2017
Interest Only Term (Months)	12
Note Date	12/9/2015
Loan Purpose	Acquisition Moderate Rehabilitation

NOI AMORTIZATION SCHEDULE

Project: Williamsburg Apartments
 Closing Date: 12/9/2015
 MBS Delivery: 12/22/2015
 First Interest Only Payment Date: 2/1/2016
 First P&I Payment Date: 2/1/2017
 Loan Amount: \$23,150,000.00
 Interest Rate: 4.460%
 Pass Through Rate: 3.450%
 Term (in months): 192
 Interest Only (in months): 12
 Amortization (in months): 420
 Monthly P&I Payment: 108,986.17

Date	Pmt #	Principal	Interest	Payment	G/S	Pass Through Payment	Outstanding	Cumulative	MO	# day of Interest
							Balance	Payments	Remaining	
							23,150,000.00			420
2/1/2016	1	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	88,908.86		419
3/1/2016	2	0.00	83,172.81	83,172.81	18,835.10	64,337.71	23,150,000.00	172,081.67		418
4/1/2016	3	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	260,990.53		417
5/1/2016	4	0.00	86,040.83	86,040.83	19,484.58	66,556.25	23,150,000.00	347,031.36		416
6/1/2016	5	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	435,940.22		415
7/1/2016	6	0.00	86,040.83	86,040.83	19,484.58	66,556.25	23,150,000.00	521,981.05		414
8/1/2016	7	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	610,889.91		413
9/1/2016	8	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	699,798.77		412
10/1/2016	9	0.00	86,040.83	86,040.83	19,484.58	66,556.25	23,150,000.00	785,839.60		411
11/1/2016	10	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	874,748.46		410
12/1/2016	11	0.00	86,040.83	86,040.83	19,484.58	66,556.25	23,150,000.00	960,789.29		409
1/1/2017	12	0.00	88,908.86	88,908.86	20,134.07	68,774.79	23,150,000.00	1,049,698.15		408
2/1/2017	13	20,077.31	88,908.86	108,986.17	20,134.07	88,852.10	23,129,922.69	1,158,684.32		407
3/1/2017	14	28,751.04	80,235.13	108,986.17	18,169.84	90,816.33	23,101,171.65	1,267,670.49		406
4/1/2017	15	20,264.84	88,721.33	108,986.17	20,091.60	88,894.57	23,080,906.81	1,376,656.66		405
5/1/2017	16	23,202.13	85,784.04	108,986.17	19,426.43	89,559.74	23,057,704.68	1,485,642.83		404
6/1/2017	17	20,431.77	88,554.40	108,986.17	20,053.80	88,932.37	23,037,272.91	1,594,629.00		403
7/1/2017	18	23,364.31	85,621.86	108,986.17	19,389.70	89,596.47	23,013,908.60	1,703,615.17		402
8/1/2017	19	20,599.98	88,386.19	108,986.17	20,015.71	88,970.46	22,993,308.62	1,812,601.34		401
9/1/2017	20	20,679.09	88,307.08	108,986.17	19,997.79	88,988.38	22,972,629.53	1,921,587.51		400
10/1/2017	21	23,604.56	85,381.61	108,986.17	19,335.30	89,650.87	22,949,024.97	2,030,573.68		399
11/1/2017	22	20,849.16	88,137.01	108,986.17	19,959.28	89,026.89	22,928,175.81	2,139,559.85		398
12/1/2017	23	23,769.78	85,216.39	108,986.17	19,297.88	89,688.29	22,904,406.03	2,248,546.02		397
1/1/2018	24	21,020.53	87,965.64	108,986.17	19,920.47	89,065.70	22,883,385.50	2,357,532.19		396
2/1/2018	25	21,101.26	87,884.91	108,986.17	19,902.19	89,083.98	22,862,284.24	2,466,518.36		395
3/1/2018	26	29,679.45	79,306.72	108,986.17	17,959.59	91,026.58	22,832,604.79	2,575,504.53		394
4/1/2018	27	21,296.28	87,689.89	108,986.17	19,858.02	89,128.15	22,811,308.51	2,684,490.70		393
5/1/2018	28	24,204.14	84,782.03	108,986.17	19,199.52	89,786.65	22,787,104.37	2,793,476.87		392
6/1/2018	29	21,471.03	87,515.14	108,986.17	19,818.45	89,167.72	22,765,633.34	2,902,463.04		391
7/1/2018	30	24,373.90	84,612.27	108,986.17	19,161.07	89,825.10	22,741,259.44	3,011,449.21		390
8/1/2018	31	21,647.10	87,339.07	108,986.17	19,778.58	89,207.59	22,719,612.34	3,120,435.38		389
9/1/2018	32	21,730.24	87,255.93	108,986.17	19,759.75	89,226.42	22,697,882.10	3,229,421.55		388
10/1/2018	33	24,625.71	84,360.46	108,986.17	19,104.05	89,882.12	22,673,256.39	3,338,407.72		387
11/1/2018	34	21,908.27	87,077.90	108,986.17	19,719.43	89,266.74	22,651,348.12	3,447,393.89		386
12/1/2018	35	24,798.66	84,187.51	108,986.17	19,064.88	89,921.29	22,626,549.46	3,556,380.06		385
1/1/2019	36	22,087.65	86,898.52	108,986.17	19,678.81	89,307.36	22,604,461.81	3,665,366.23		384
2/1/2019	37	22,172.48	86,813.69	108,986.17	19,659.60	89,326.57	22,582,289.33	3,774,352.40		383
3/1/2019	38	30,650.72	78,335.45	108,986.17	17,739.64	91,246.53	22,551,638.61	3,883,338.57		382
4/1/2019	39	22,375.35	86,610.82	108,986.17	19,613.66	89,372.51	22,529,263.26	3,992,324.74		381
5/1/2019	40	25,252.41	83,733.76	108,986.17	18,962.13	90,024.04	22,504,010.85	4,101,310.91		380
6/1/2019	41	22,558.27	86,427.90	108,986.17	19,572.24	89,413.93	22,481,452.58	4,210,297.08		379
7/1/2019	42	25,430.10	83,556.07	108,986.17	18,921.89	90,064.28	22,456,022.48	4,319,283.25		378
8/1/2019	43	22,742.57	86,243.60	108,986.17	19,530.50	89,455.67	22,433,279.91	4,428,269.42		377
9/1/2019	44	22,829.91	86,156.26	108,986.17	19,510.72	89,475.45	22,410,450.00	4,537,255.59		376
10/1/2019	45	25,694.00	83,292.17	108,986.17	18,862.13	90,124.04	22,384,756.00	4,646,241.76		375
11/1/2019	46	23,016.27	85,969.90	108,986.17	19,468.52	89,517.65	22,361,739.73	4,755,227.93		374
12/1/2019	47	25,875.04	83,111.13	108,986.17	18,821.13	90,165.04	22,335,864.69	4,864,214.10		373
1/1/2020	48	23,204.04	85,782.13	108,986.17	19,426.00	89,560.17	22,312,660.65	4,973,200.27		372
2/1/2020	49	23,293.16	85,693.01	108,986.17	19,405.82	89,580.35	22,289,367.49	5,082,186.44		371
3/1/2020	50	28,905.43	80,080.74	108,986.17	18,134.88	90,851.29	22,260,462.06	5,191,172.61		370
4/1/2020	51	23,493.63	85,492.54	108,986.17	19,360.42	89,625.75	22,236,968.43	5,300,158.78		369
5/1/2020	52	26,338.77	82,647.40	108,986.17	18,716.12	90,270.05	22,210,629.66	5,409,144.95		368
6/1/2020	53	23,685.01	85,301.16	108,986.17	19,317.08	89,669.09	22,186,944.65	5,518,131.12		367
7/1/2020	54	26,524.69	82,461.48	108,986.17	18,674.01	90,312.16	22,160,419.96	5,627,117.29		366
8/1/2020	55	23,877.85	85,108.32	108,986.17	19,273.41	89,712.76	22,136,542.11	5,736,103.46		365
9/1/2020	56	23,969.55	85,016.62	108,986.17	19,252.64	89,733.53	22,112,572.56	5,845,089.63		364
10/1/2020	57	26,801.11	82,185.06	108,986.17	18,611.42	90,374.75	22,085,771.45	5,954,075.80		363
11/1/2020	58	24,164.54	84,821.63	108,986.17	19,208.49	89,777.68	22,061,606.91	6,063,061.97		362
12/1/2020	59	26,990.53	81,995.64	108,986.17	18,568.52	90,417.65	22,034,616.38	6,172,048.14		361
1/1/2021	60	24,361.00	84,625.17	108,986.17	19,164.00	89,822.17	22,010,255.38	6,281,034.31		360
2/1/2021	61	24,454.56	84,531.61	108,986.17	19,142.81	89,843.36	21,985,800.82	6,390,020.48		359
3/1/2021	62	32,719.87	76,266.30	108,986.17	17,271.07	91,715.10	21,953,080.95	6,499,006.65		358
4/1/2021	63	24,674.14	84,312.03	108,986.17	19,093.08	89,893.09	21,928,406.81	6,607,992.82		357
5/1/2021	64	27,485.59	81,500.58	108,986.17	18,456.41	90,529.76	21,900,921.22	6,716,978.99		356
6/1/2021	65	24,874.47	84,111.70	108,986.17	19,047.72	89,938.45	21,876,046.75	6,825,965.16		355
7/1/2021	66	27,680.20	81,305.97	108,986.17	18,412.34	90,573.83	21,848,366.55	6,934,951.33		354
8/1/2021	67	25,076.30	83,909.87	108,986.17	19,002.01	89,984.16	21,823,290.25	7,043,937.50		353
9/1/2021	68	25,172.61	83,813.56	108,986.17	18,980.20	90,005.97	21,798,117.64	7,152,923.67		352
10/1/2021	69	27,969.83	81,016.34	108,986.17	18,346.75	90,639.42	21,770,147.81	7,261,909.84		351
11/1/2021	70	25,376.71	83,609.46	108,986.17	18,933.98	90,052.19	21,744,771.10	7,370,896.01		350
12/1/2021	71	28,168.10	80,818.07	108,986.17	18,301.85	90,684.32	21,716,603.00	7,479,882.18		349
1/1/2022	72	25,582.35	83,403.82	108,986.17	18,887.41	90,098.76	21,691,020.65	7,588,868.35		348

9/1/2029	164	37,005.10	71,981.07	108,986.17	16,300.64	92,685.53	18,705,352.39	17,615,595.99	256	31
10/1/2029	165	39,464.61	69,521.56	108,986.17	15,743.67	93,242.50	18,665,887.78	17,724,582.16	255	30
11/1/2029	166	37,298.79	71,687.38	108,986.17	16,234.14	92,752.03	18,628,588.99	17,833,568.33	254	31
12/1/2029	167	39,749.91	69,236.26	108,986.17	15,679.06	93,307.11	18,588,839.08	17,942,554.50	253	30
1/1/2030	168	37,594.70	71,391.47	108,986.17	16,167.13	92,819.04	18,551,244.38	18,051,540.67	252	31
2/1/2030	169	37,739.09	71,247.08	108,986.17	16,134.43	92,851.74	18,513,505.29	18,160,526.84	251	31
3/1/2030	170	44,764.88	64,221.29	108,986.17	14,543.39	94,442.78	18,468,740.41	18,269,513.01	250	28
4/1/2030	171	38,055.95	70,930.22	108,986.17	16,062.67	92,923.50	18,430,684.46	18,378,499.18	249	31
5/1/2030	172	40,485.46	68,500.71	108,986.17	15,512.49	93,473.68	18,390,199.00	18,487,485.35	248	30
6/1/2030	173	38,357.59	70,628.58	108,986.17	15,994.36	92,991.81	18,351,841.41	18,596,471.52	247	31
7/1/2030	174	40,778.49	68,207.68	108,986.17	15,446.13	93,540.04	18,311,062.92	18,705,457.69	246	30
8/1/2030	175	38,661.52	70,324.65	108,986.17	15,925.54	93,060.63	18,272,401.40	18,814,443.86	245	31
9/1/2030	176	38,810.00	70,176.17	108,986.17	15,891.91	93,094.26	18,233,591.40	18,923,430.03	244	31
10/1/2030	177	41,217.99	67,768.18	108,986.17	15,346.61	93,639.56	18,192,373.41	19,032,416.20	243	30
11/1/2030	178	39,117.35	69,868.82	108,986.17	15,822.31	93,163.86	18,153,256.06	19,141,402.37	242	31
12/1/2030	179	41,516.57	67,469.60	108,986.17	15,278.99	93,707.18	18,111,739.49	19,250,388.54	241	30
1/1/2031	180	39,427.03	69,559.14	108,986.17	15,752.18	93,233.99	18,072,312.46	19,359,374.71	240	31
2/1/2031	181	39,578.45	69,407.72	108,986.17	15,717.89	93,268.28	18,032,734.01	19,468,360.88	239	31
3/1/2031	182	46,432.62	62,553.55	108,986.17	14,165.71	94,820.46	17,986,301.39	19,577,347.05	238	28
4/1/2031	183	39,908.78	69,077.39	108,986.17	15,643.09	93,343.08	17,946,392.61	19,686,333.22	237	31
5/1/2031	184	42,285.41	66,700.76	108,986.17	15,104.88	93,881.29	17,904,107.20	19,795,319.39	236	30
6/1/2031	185	40,224.45	68,761.72	108,986.17	15,571.60	93,414.57	17,863,882.75	19,904,305.56	235	31
7/1/2031	186	42,592.07	66,394.10	108,986.17	15,035.43	93,950.74	17,821,290.68	20,013,291.73	234	30
8/1/2031	187	40,542.51	68,443.66	108,986.17	15,499.57	93,486.60	17,780,748.17	20,122,277.90	233	31
9/1/2031	188	40,698.22	68,287.95	108,986.17	15,464.31	93,521.86	17,740,049.95	20,231,264.07	232	31
10/1/2031	189	43,052.32	65,933.85	108,986.17	14,931.21	94,054.96	17,696,997.63	20,340,250.24	231	30
11/1/2031	190	41,019.87	67,966.30	108,986.17	15,391.47	93,594.70	17,655,977.76	20,449,236.41	230	31
12/1/2031	191	43,364.79	65,621.38	108,986.17	14,860.45	94,125.72	17,612,612.97	20,558,222.58	229	30
1/1/2032	192	17,612,612.97	67,642.22	17,680,255.19	15,318.08	17,664,937.11	0.00	38,238,477.77	228	31
		23,150,000.00	15,088,477.77	38,238,477.77	3,416,897.42	34,821,580.35				

APPENDIX G

FORM OF PROSPECTUS SUPPLEMENT FOR MBS CERTIFICATE

Prospectus Supplement
(To Multifamily MBS Prospectus dated August 1, 2014)



Guaranteed Mortgage Pass-Through Certificates
(Fixed-Rate Multifamily Residential Mortgage Loans)

The Certificates

We, the Federal National Mortgage Association, or Fannie Mae, will issue the guaranteed mortgage pass-through certificates or MBS certificates. Each issuance of certificates will have its own identification number and will represent the beneficial ownership in a distinct pool of one or more mortgage loans secured by multifamily properties that contain at least five residential units and that are identified in the Schedule of Pool and Loan Information attached to this Prospectus Supplement. You should read the Prospectus for Fannie Mae Guaranteed Mortgage Pass-Through Certificates (Multifamily Residential Mortgage Loans) dated August 1, 2014 (the "Multifamily MBS Prospectus") in addition to this Prospectus Supplement.

Fannie Mae Guaranty

We guarantee to the MBS trust that we will supplement amounts received by the MBS trust as required to permit timely payments of principal and interest on the certificates. **We alone are responsible for making payments under our guaranty. The certificates and payments of principal and interest on the certificates are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

The Mortgage Loan Pool

- The pool number appearing in the Schedule of Pool and Loan Information identifies the pool into which the mortgage loan covered by the certificates is deposited.
- The mortgage loan is secured by a first lien on a multifamily property that contains at least five residential units.
- The mortgage loan bears interest at a fixed interest rate.
- **The mortgage loan has special characteristics. See page 2 of this Prospectus Supplement.**

Consider carefully the risk factors beginning on page 12 of the Multifamily MBS Prospectus. Unless you understand and are able to tolerate these risks, you should not invest in the certificates.

The certificates are exempt from registration under the Securities Act of 1933, as amended, and are "exempted securities" under the Securities Exchange Act of 1934, as amended. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these certificates or determined if this Prospectus Supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement is the issue date of the certificates specified in the Schedule of Pool and Loan Information. Settlement is expected to occur no later than the last business day of the month in which the issue date occurs.

SPECIAL CHARACTERISTICS OF THE MORTGAGE LOAN

The mortgage loan that backs the certificates (the “mortgage loan”) was made to the borrower by the Texas Department of Housing and Community Affairs (“TDHCA”) and assigned to an eligible multifamily mortgage lender. The mortgage loan is evidenced by a promissory note (the “mortgage note”) and a multifamily loan and security agreement (the “loan agreement”) containing the loan terms and signed by the borrower. The mortgage note and loan agreement are secured by a security instrument (the “mortgage”) on a multifamily residential property containing five or more residential units (the “mortgaged property”) that is located in Grand Prairie, Texas. (The mortgage note, loan agreement, mortgage and other related documents are sometimes collectively referred to as the “mortgage loan documents.”)

The mortgaged property is subject to affordable housing regulatory agreements that impose income restrictions on tenants of the mortgaged property. See “**GENERAL CHARACTERISTICS OF THE MORTGAGED PROPERTY—Affordable Housing Loans**” for additional information about income restrictions on affordable housing.

The MBS certificates offered hereby will initially serve as collateral for \$23,150,000 in multifamily housing revenue bonds issued by TDHCA (the “bonds”) and will be held by the bond trustee as collateral for the bonds. The bonds and the mortgage loan documents provide that the mortgage loan is cross-defaulted with the bonds. As a general rule, the certificates will serve as collateral for the bonds during the entire term of the mortgage loan.

Because the mortgage loan documents provide that the mortgage loan is cross-defaulted with the bonds, a default on the bonds may trigger an event of default on the mortgage loan. Accordingly, if Fannie Mae accelerates the mortgage loan as a result of the event of default, the mortgage loan will be paid in full, and the stated principal balance of the certificates will be passed through to the holder of the certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the certificates.

In all cases, if the borrower voluntarily prepays the mortgage loan at any time, yield maintenance or other prepayment premiums will be payable as set forth under “**GENERAL CHARACTERISTICS OF THE MORTGAGE LOAN—Voluntary Prepayment of the Mortgage Loan.**”

THE SCHEDULE OF POOL AND LOAN INFORMATION

The Prospectus Supplement for the pool has two parts: this Prospectus Supplement Narrative and a Schedule of Pool and Loan Information. The Schedule of Pool and Loan Information includes a page entitled “Pool Statistics (As of Issue Date)” that provides certain information about the pool and the certificates and a separate “Multifamily Schedule of Loan Information” that provides certain information about the mortgage loan and the mortgaged property.

Terms that are used but not defined in this Prospectus Supplement Narrative or in the Schedule of Pool and Loan Information are defined in the Multifamily MBS Prospectus. Certain terms may be defined differently because the mortgage loan is an affordable housing loan. See “**THE MULTIFAMILY MORTGAGE LOANS—Defined Terms—General Definitions**” and “**—Affordable Housing Loans**” in the Multifamily MBS Prospectus.

As disclosed in “Prepayment Premium Option” on the Multifamily Schedule of Loan Information, the mortgage loan may be voluntarily prepaid. See “**VOLUNTARY PREPAYMENT OF THE MORTGAGE LOAN**” for further information.

GENERAL CHARACTERISTICS OF THE MORTGAGE LOAN

The mortgage loan has the general characteristics specified below.

Underwriting

The mortgage loan was originated generally to conform to our multifamily product line requirements as described in the Multifamily Selling and Servicing Guide. These requirements may change from time to time. See “**THE MULTIFAMILY MORTGAGE LOANS—DUS Loans—Standard DUS Loans—Underwriting and Servicing**” in the Multifamily MBS Prospectus.

Method for Calculation of Interest

The mortgage loan has a fixed rate of interest throughout its term. Interest on the mortgage loan is calculated under the actual/360 method, disclosed as “Interest Accrual Method” on the Multifamily Schedule of Loan Information.

Payments, Amortization and Maturity Date

The mortgage loan requires payments of interest alone during the initial portion of its term that is disclosed as “Interest Only Term (Months)” on the Multifamily Schedule of Loan Information. The interest-only term began on the date the mortgage loan was originated and ends on the date disclosed as “Interest Only End Date” on the Multifamily Schedule of Loan Information.

During the interest-only term, each monthly payment equals an amount sufficient to pay all interest accruing on the mortgage loan. During the remaining term, each monthly payment equals an amount sufficient to pay all interest accruing on the mortgage loan and to amortize the outstanding principal balance over the original amortization term disclosed as “Original Amortization Term (Months)” on the Multifamily Schedule of Loan Information. All unpaid principal is payable as a balloon payment due on the stated maturity date of the mortgage note together with any accrued interest.

Because interest on the mortgage loan is calculated using the actual/360 method, see “**THE MULTIFAMILY MORTGAGE LOANS—General Characteristics of Multifamily Mortgage Loans—Method for Calculating Interest**” in the Multifamily MBS Prospectus, which describes the amortization and balloon payments applicable to loans that use the actual/360 method to calculate interest.

Involuntary Prepayment of the Mortgage Loan

Certain events may result in an involuntary partial prepayment of principal of the mortgage loan.

If casualty insurance proceeds or funds received in connection with a condemnation action affecting the mortgaged property are used to reduce the unpaid principal balance of the mortgage loan, the resulting reduction in the unpaid principal balance may result in certificateholders receiving an early prepayment of principal of the certificates. The borrower would not be required to pay a prepayment premium in this case.

Moreover, if proceeds from casualty insurance or condemnation are used to reduce the unpaid principal balance of the mortgage loan, the loan may permit or require reamortization of the remaining unpaid principal over an amortization period determined at the time of the reamortization. If a reamortization occurs, the amount of principal and interest paid by the borrower each month may be reduced, which may cause a corresponding reduction in the amount of principal and interest passed through to the certificateholders each month, affecting your yield.

If we reduce the unpaid principal balance of the mortgage loan by applying amounts paid by the borrower as interest or charges under the mortgage loan documents that are later determined to be greater than those permitted by applicable law, the resulting reduction in the unpaid principal balance may result in certificateholders receiving an early prepayment of principal of the certificates. The borrower would not be required to pay a prepayment premium in this case.

If we apply collateral or other security to reduce the unpaid principal balance of the mortgage loan, the resulting reduction in the unpaid principal balance may result in certificateholders receiving an early prepayment of principal of the certificates. The borrower would generally be required to pay a prepayment premium in this case. If we collect a prepayment premium when the mortgage loan is not in default, we will pass through your portion, if any, of the prepayment premium. **If we collect a prepayment premium when the mortgage loan is in default, we will not pass through any portion of the prepayment premium to certificateholders.**

For a discussion of reamortization, involuntary prepayments, and the application of proceeds and collateral, see “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Reamortization of Principal,**” “**Prepayments of Multifamily Mortgage Loans—Proceeds of Casualty or Condemnation**” and “**Proceeds from Other Collateral**” and “**Defaults and Troubled Loans**” in the Multifamily MBS Prospectus.

VOLUNTARY PREPAYMENT OF THE MORTGAGE LOAN

Mortgage Loan Eligible for Voluntary Prepayment

The borrower may voluntarily prepay the loan in full after giving the lender written notice of the proposed date of the prepayment (the “intended prepayment date”). If the borrower meets the other conditions required by the mortgage loan documents, the borrower may voluntarily prepay the mortgage loan by paying (i) the amount of principal being prepaid, (ii) all accrued interest to the last calendar day of the month in which the prepayment occurs (the “last day of the month”), (iii) all other sums due to the lender at the time of the prepayment, and (iv) the prepayment premium calculated as described below. The mortgage loan prohibits voluntary partial prepayments at all times.

If we agree to accept a prepayment on any date other than the last day of the month, then, for all purposes (including the accrual of interest and the calculation of the prepayment premium), we deem the prepayment to have been received on the last day of the month, and any prepayment calculation will include interest through the last day of the month in which the prepayment occurs.

Prepayment Premiums Payable During Yield Maintenance Period

The borrower is required to pay a yield maintenance prepayment premium during the period of time (the “yield maintenance period”) disclosed as “Prepayment Premium Term (Months)” on the Multifamily Schedule of Loan Information, which began on the date the mortgage loan was originated and ends on the day before the date specified in the mortgage note (the “yield maintenance end date”) and disclosed as the “Prepayment Premium End Date” on the Multifamily Schedule of Loan Information.

Calculation of Total Yield Maintenance Prepayment Premiums

If the borrower voluntarily prepays the mortgage loan before the yield maintenance end date, the yield maintenance prepayment premium equals the **greater** of (a) or (b):

- (a) **1% of the amount of principal being prepaid;**

or

- (b) **the product of the following:**

(Amount of principal being prepaid) * (Loan Interest Rate – CMT Yield Rate) * (Present Value Factor)

Defined terms:

CMT Yield Rate: the U.S. Treasury constant maturity yield rate (as defined below as “**r**” for use in calculating the **Present Value Factor**) on the 25th business day before (A) the intended prepayment date, or (B) the date the lender accelerates the mortgage loan or otherwise accepts a prepayment due to a default under the mortgage loan.

Present Value Factor: the result of the following formula:

$$\frac{1 - (1 + r)^{(-n/12)}}{r}$$

[**r** = the yield calculated by interpolating the yields for the immediately longer and shorter term U.S. “Treasury constant maturities” (as published by the Federal Reserve Board in the Federal Reserve Statistical Release: H.15 (519) Selected Interest Rates (the “Fed Release”) under the heading “U.S. government securities”) closest to the remaining term of the yield maintenance period, as follows (rounded to three decimal places):

$$\frac{(a - b)}{(x - y)} x (z - y) + b$$

- a** = the yield for the longer U.S. Treasury constant maturity
b = the yield for the shorter U.S. Treasury constant maturity
x = the term of the longer U.S. Treasury constant maturity
y = the term of the shorter U.S. Treasury constant maturity
z = “**n**” (as defined for use in calculating the *Present Value Factor*) divided by 12.

Notwithstanding the foregoing, if “**z**” equals a term reported under the U.S. “Treasury constant maturities” subheading in the Fed Release, the yield for that term will be used, and interpolation will not be necessary.

- n** = the number of months remaining between (A) either of the following: (1) in the case of a voluntary prepayment, the last day of the month during which the voluntary prepayment is made, or (2) in any other case, the date on which the lender accelerates the unpaid principal balance of the mortgage note, and (B) the yield maintenance end date]

If publication of the Fed Release is discontinued by the Federal Reserve Board, we will determine the yield rate from another source that we select.

The borrower must pay a yield maintenance prepayment premium equal to the **greater** of the amount calculated in clause (a) or clause (b). Thus, even if clause (b) results in an amount *less* than 1% of the amount of principal being prepaid, clause (a) still requires the borrower to pay an amount *equal to* 1% of the amount of principal being prepaid. In our sole discretion, we may permit the borrower to pay a yield maintenance prepayment premium equal to the lesser amount calculated in clause (b).

A PORTION OF ANY YIELD MAINTENANCE PREPAYMENT PREMIUM COLLECTED BY US WILL BE PASSED THROUGH TO CERTIFICATEHOLDERS UNDER THE CONDITIONS SET FORTH IN THIS PROSPECTUS SUPPLEMENT NARRATIVE AND IN THE MULTIFAMILY MBS PROSPECTUS. See the section of the Multifamily MBS Prospectus entitled “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations**” for a discussion of voluntary and involuntary prepayments and the circumstances under which prepayment premiums may be imposed or waived. See also “—*Calculation of Certificateholders’ Share of Yield Maintenance Prepayment Premiums*” below.

We do not guarantee to the trust the payment of any prepayment premiums.

Calculation of Certificateholders’ Share of Yield Maintenance Prepayment Premiums

If the borrower voluntarily prepays the mortgage loan before the yield maintenance end date, we will determine whether certificateholders will receive a portion of the yield maintenance prepayment premium actually received by us from the servicer of the prepaid loan as follows:

- *First*, we will calculate the total yield maintenance prepayment premium due (the “total premium due”) under each of clause (a) and clause (b) of the formula above, calculate the share of the total premium due that will be retained by us (“our portion”), and determine the actual amount of premium collected from the borrower (the “total premium collected”).
- *Second*, whether the total premium due is the amount calculated under clause (a) or the amount calculated under clause (b), the maximum share of the total premium due that will be passed through to certificateholders (“your portion”) will equal the following:

*(Amount of principal being prepaid) * (Pass-Through Rate – CMT Yield Rate) * (Present Value Factor)*

- *Third*, if calculating your portion results in a positive value, we will subtract our portion from the total premium collected and will pass through your portion but only to the extent of the total premium collected that remains after we have deducted our portion. **If the calculation of your portion results in a negative value, we will not pass through any portion of the total premium collected.**

Prepayment Premiums Payable After Yield Maintenance Period

If the borrower voluntarily prepays the mortgage loan on or after the yield maintenance end date, no prepayment premium is required.

CHARACTERISTICS OF THE MORTGAGED PROPERTY

The mortgaged property is a multifamily property that contains at least five residential units. The “Collateral Information” page of the Multifamily Schedule of Loan Information discloses information about the mortgaged property. Earthquake insurance is required if a mortgaged property in a seismically active area presents one or more of the structural risk factors specified in the Multifamily Selling and Servicing Guide. Flood insurance is required if a mortgaged property is located in a Special Flood Hazard Area as designated by the Federal Emergency Management Agency.

Affordable Housing Mortgage Loans

As disclosed on the Multifamily Schedule of Loan Information, the mortgage loan is a multifamily affordable housing loan. The Multifamily Schedule of Loan Information also discloses the type of affordable housing property securing the mortgage loan and the percentage of units that are restricted to tenants with annual household incomes equal to 80% or less of the area median income, 60% or less of the area median income, and 50% or less of the area median income. In addition, the Multifamily Schedule of Loan Information discloses the total percentage of units that require tenants to meet specified household income requirements. This total includes not only the units subject to the household income requirements specified above but also any units subject to higher household income requirements. For further information, see “**THE MULTIFAMILY MORTGAGE LOANS—Affordable Housing Loans**” in the Multifamily MBS Prospectus.

Affordable housing loans result from efforts made to promote affordable housing. As a result, the mortgaged property is encumbered by housing regulatory agreements that limit rents and impose income limits on tenants. See “**RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Affordable Housing Mortgage Loans**” in the Multifamily MBS Prospectus for a discussion of the possible effect on the mortgage loan of the borrower’s noncompliance with required limitations or restrictions.

UPDATES TO PROSPECTUS

The following sections replace the indicated portions of the Multifamily MBS Prospectus. Except as modified below, the contents of the Multifamily MBS Prospectus remain unchanged.

Casualty and Condemnation

The following section replaces in its entirety the section of the Multifamily MBS Prospectus entitled “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayments of Multifamily Mortgage Loans—Proceeds of Casualty or Condemnation.**”

“Proceeds of Casualty or Condemnation Action

A multifamily mortgage loan may experience an involuntary prepayment, which is the early receipt of all or a portion of the principal of a loan other than as a result of a voluntary prepayment by the borrower or a default on the loan. Many multifamily mortgage loans do not require a borrower to pay a prepayment premium if an involuntary prepayment results from the receipt of casualty insurance proceeds or amounts received in connection with a condemnation action affecting the related mortgaged property.

Proceeds from Casualty Insurance. Casualty insurance proceeds generally are not applied against the unpaid principal balance of the related mortgage loan. Instead, these proceeds generally are used to restore or repair the mortgaged property (as long as the mortgage loan is not then in material default) and are not passed through to certificateholders. All or part of the proceeds, however, may be applied against the unpaid principal balance if permitted by the mortgage loan documents. In that case, there will be a full or partial prepayment of principal to certificateholders.

Proceeds from Condemnation Action. A condemnation action is any action or proceeding relating to any condemnation, or other taking or conveyance in lieu of a taking, of all or a portion of a mortgaged property. Amounts received in connection with a condemnation action (“condemnation proceeds”) generally are applied against the unpaid principal balance of the related mortgage loan (as long as the loan is not then in material default). If the mortgaged property was affected by the condemnation but continues to operate, all or part of the condemnation proceeds may be used to repair or restore the mortgaged property if that use is permitted by the mortgage loan documents. If condemnation proceeds are applied against the unpaid principal balance, there will be a full or partial prepayment of principal to certificateholders.

Notwithstanding the foregoing, in some cases, we may permit small amounts of casualty insurance proceeds or condemnation proceeds to be paid directly to a borrower. In addition, if a substantial casualty or condemnation action causes a mortgaged property to become unusable, and if the related casualty or condemnation proceeds are sufficient to repay most but not all of the mortgage loan, the borrower may be permitted to prepay the remaining principal without being required to pay a prepayment premium.”

Split or Bifurcated Loans

The following section replaces in its entirety the section of the Multifamily MBS Prospectus entitled “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayments of Multifamily Mortgage Loans—Split or Bifurcated Loans.**”

“Split or Bifurcated Loans

A transaction may be structured as a split loan or a bifurcated loan.

Split Loans. A split loan consists of two separate mortgage loans, a senior mortgage loan and a junior mortgage loan, that are underwritten concurrently as a single credit but documented as two separate loans (i.e., separate loan agreements, mortgage notes, and security instruments). Each mortgage loan in a split loan structure may have different loan terms (e.g., maturity date, required prepayment premium), allowing the borrower to pay off a portion of the total debt during the term of the split loan transaction.

Bifurcated Loans. A bifurcated loan consists of a single mortgage loan where the aggregate amount of the debt is divided between two separate mortgage notes that have the same (i.e., *pari passu*) payment priority. Each mortgage note is secured by the same security instrument on the same collateral, including the mortgaged property. Each mortgage loan in a bifurcated loan structure may have different loan terms (e.g., maturity date, required prepayment premium), allowing the borrower to pay off a portion of the total debt during the term of the bifurcated loan transaction.”

Soft Financing

The following section replaces in its entirety the section of the Multifamily MBS Prospectus entitled “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Existing and Future Additional Mortgage Liens—Soft Financing Mortgage Liens**”:

“Soft Financing Mortgage Liens

Multifamily affordable housing properties often have existing financing in the form of a mortgage loan made to the borrower by a government agency or organization to promote affordable housing. See “**THE MULTIFAMILY MORTGAGE LOANS—Affordable Housing Loans**” for a discussion of multifamily affordable housing loans. The mortgage loan is generally secured by a mortgage on the mortgaged property that is subordinate to the mortgage securing the mortgage.

When a mortgage loan is delivered to us and the related mortgaged property also secures a subordinate mortgage loan initially characterized as soft financing, we review the subordinate mortgage loan to determine if it is likely to have any material adverse effect on the cash flow of the mortgaged property. If we conclude that the subordinate mortgage loan is unlikely to have such an effect, we consider it to be soft financing and typically do not provide disclosure about it or include its terms in calculating the loan-to-value and debt service coverage ratios disclosed for the mortgage loan in the pool.

“Soft” financing generally has more than one of the following characteristics:

- The interest rate on the subordinate mortgage loan is nominal (1% or 2%, for example), or no interest is charged.
- Interest on the subordinate mortgage loan is payable only from surplus, available or excess cash flow from the mortgaged property. (While the definition of surplus, available or excess cash flow (“surplus cash flow”) varies among transactions, it is generally cash flow that remains after paying debt service on the mortgage loan in the trust and operating expenses of the mortgaged property.)
- Unpaid interest on the subordinate mortgage loan either does not accrue or accrues but is still payable only to the extent there is surplus cash flow from the mortgaged property.
- No principal payments are required over the term of the subordinate mortgage loan, or principal payments are payable only from surplus cash flow from the mortgaged property and are not intended to fully amortize the subordinate mortgage loan over its term.
- Failure to make an interest or principal payment due to a lack of surplus cash flow is not a default under the subordinate mortgage loan.
- The term of the subordinate mortgage loan is longer than the term of the mortgage loan in the pool.
- The subordinate mortgage loan is forgiven over time or at its maturity date, or the subordinate mortgage loan is due only upon a sale of the mortgaged property.

Defaults under soft financing loans generally result from a borrower’s failure to comply with the occupancy restrictions imposed on the mortgaged property. See “**RISK FACTORS—RISKS RELATED TO YIELD AND PREPAYMENT—Affordable Housing Mortgage Loans**” for a discussion of defaults.

While soft financing is most commonly seen in connection with multifamily affordable housing loans, soft financing may be present in connection with multifamily mortgage loans that are not multifamily affordable loans.”

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

The certificates and payments on the certificates generally are subject to taxation. Therefore, you should consider the tax consequences of holding a certificate before acquiring one. See “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” in the Multifamily MBS Prospectus for a discussion of the tax consequences of the purchase, ownership and disposition of the certificates.

ADDITIONAL INFORMATION ABOUT THIS PROSPECTUS SUPPLEMENT

The disclosure documents for this issuance of certificates are the Multifamily MBS Prospectus and this Prospectus Supplement (which includes this Prospectus Supplement Narrative and the Schedule of Pool and Loan Information), together with any information incorporated into these documents by reference. **In deciding whether to purchase this issuance of certificates in an initial offering, you should rely ONLY on the information in the Multifamily MBS Prospectus, this Prospectus Supplement and any information that we have otherwise incorporated into these documents by reference. We take no responsibility for any unauthorized information or representation.**

You may obtain copies of the Multifamily MBS Prospectus and this Prospectus Supplement by visiting our Web site at www.fanniemae.com, by calling the Fannie Mae Helpline at 1-800-BEST-MBS (1-800-237-8627) or (202) 752-7115, or by writing to Fannie Mae, Attention: Fixed-Income Securities, 3900 Wisconsin Avenue, NW, Area 2H-3S, Washington, DC 20016. The Prospectus Supplement is typically available on the second business day before the settlement date of the issuance of certificates. We also provide corrections and periodic disclosure regarding mortgage loans and pools through our Multifamily Securities Locator Service™ application or other locations on our Web site. We are providing our Internet address solely for your information. Unless otherwise stated, information appearing on our Web site is not incorporated into any prospectus supplement.

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